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Revenues and expenses of intercollegiate athletic programs

Analysis of financial trends and relationships 1970-1977

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Preface and Acknowledgments

"Revenues and Expenses of Intercollegiate Athletic Programs" is a statistical analysis of revenues and expenses associated with intercollegiate athletic programs of NCAA member institutions during the eight-year period ending with fiscal year 1976-77. The current report updates the financial trends previously published in 1970 as "Financial Analysis of Intercollegiate Athletics." These two research studies provide 18 years of historical information concerning the revenue-expense structure, financial trends and profiles of intercollegiate athletic programs. Analyses in this current publication should be of interest to administrators, policy-making groups and management-level personnel who are concerned with the continuing problems of rising program costs, resource allocation decisions and related matters of financing athletic programs.

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Chapter I
Introduction

In addition to various educational and social considerations, university athletic programs represent significant commitments of human, physical and monetary resources. The administration of athletic affairs involves thousands of career individuals employed in a wide range of capacities. Sizable investments in physical facilities and equipment also must accompany the required human talent. Within the past several years, many athletic departments have expanded the scope of their operations by adding new sports, enlarging the coaching staff and extending the opportunity for participation to a larger number of athletes. Many institutions now offer 10 or more varsity sports. Since many athletic departments are classified as *auxiliary enterprises* within the scheme of overall university operations, any expansion of intercollegiate activities must be financed by revenues generated by athletics or from other sources. Intercollegiate athletics therefore assume added importance in terms of economic implications.

Objectives of the Study

When intercollegiate athletic programs are viewed as complex organizations requiring substantial financial commitment, then revenue and expense relationships in the aggregate and by line of activity provide important information for program administrators. These administrators and others also need information concerning the revenue and expense trends of similar institutions for comparative evaluation purposes. Accordingly, there is a definite need to analyze periodically the revenue-expense trends and aggregate financial impact of intercollegiate athletic programs.

The principal purpose of this study is to document and analyze the revenues and expenses associated with intercollegiate athletic programs of NCAA member institutions during the eight-year period from 1969-70 through fiscal year 1976-77. The previous research study, "Financial Analysis of Intercollegiate Athletics," provided a comprehensive report on financial trends during the 10-year period from 1959-60 through 1968-69. The present study, "Revenues and Expenses of Intercollegiate Athletic Programs," comparatively updates financial trend information regarding total program revenues and expenses, revenues and expenses directly related to major sports and certain nonfinancial data such as number of sports offered and number of participating athletes. Specific objectives of this study are to:

1. Provide a statistical description of the significant revenue and expense categories that are typical of athletic programs.
2. Measure the trends and changes in principal revenues and expenses during the eight-year period from 1969-70 through 1976-77.
3. Identify factors, conditions or developments that tend to explain the reasons underlying revenue-expense trends.
4. Extend on a selective basis certain financial information so that general trends from 1960 to the present readily can be available to users of this report.
5. Determine any significant changes that have occurred in the general profile of athletic programs regarding sources of revenue and percentage composition of total operating expenses.

Research Methods

To obtain the necessary financial and operating data for this study, a questionnaire was distributed to all 722 member institutions of the NCAA on September 5, 1977. The NCAA membership was classified into six homogeneous groups based upon the criteria of dominance of particular sports within the program and relative strength of athletic programs as determined by the nature of scheduled opposition. These institutional classifications were established by the NCAA, and the resulting groups include colleges and universities that are relatively comparable in program activities and underlying revenue-expense structure.

The classifications applied to member institutions on September 1, 1977, and related criteria follow:

Class A. This group included 137 institutions classified Division I in football in accordance with the provisions of NCAA Bylaws 8 and 9 (1977-78 NCAA Manual). Such institutions must play more than 50 per cent of their regu-

lar-season football games against other members of Division I in that sport. The NCAA's divisional membership structure also dictates that all sports other than football at these institutions also would be classified Division I.

Class B. This classification included 132 institutions classified Division II in football. The distinction between Classes A and B lies in the relative strength of scheduled football opponents. Of these 132 institutions, 36 are Division I members with their football programs classified in Division II; the remainder are classified Division II in other sports, as well.

Class C. The third group, consisting of 206 institutions, is termed Division III in football. Class B and C institutions differ in football primarily on the basis of the extent and nature of financial aid awarded and the relative degree of football competitiveness with similar colleges. Of these 206 institutions, 14 are Division I members with their football programs classified in Division III, 16 are Division II members with football classified in Division III and the remainder are classified Division III in other sports, as well as football.

Class D. This category includes 62 institutions that do not sponsor intercollegiate football and are classified Division I in basketball and their other sports.

Class E. This class consists of 71 institutions that do not sponsor intercollegiate football and are classified Division II in basketball and their other sports.

Class F. The final grouping includes 114 institutions that do not sponsor intercollegiate football and are classified Division III in basketball and other sports.

Class E and F institutions, as currently defined, were presented as one category in the 1970 report. Accordingly, this study does not present any financial information for Class E and F institutions for the period from 1959-60 through 1968-69.

A total of 330 institutions, representing 46 per cent of the NCAA institutional membership, returned completed questionnaires. Table 1.1 summarizes the respondents by assigned category A through F and other principal characteristics. This summary shows that the 330 respondents are distributed approximately in accordance with the assigned class structure of all 722 NCAA members. For example, Class B respondents account for 18 per cent of total membership and represent 17 per cent of replies received. A proportionate representation by each respondent category is desirable but not essential, since most of the information in this study is summarized for each specific class of institution.

The primary limitation of this study concerns the time periods for which revenue and expense information was obtained. Data regarding total revenues and total operating expenses were obtained for each year during the inclusive fiscal year period 1970-1977. All other financial data and operating information were obtained only for fiscal years 1972-73 and 1976-77. The general research plan is to update this study every four years; and most information is presented for comparative purposes in four-year intervals, such as 1961, 1965, 1969, 1973, 1977. Many institutions undoubtedly have dissimilar fiscal years, but the data included in this study cover 12-month intervals for all respondents. The general designation of fiscal year 1976-77, therefore, refers to a 12-month accounting period that began in 1976 and ended in 1977.

General Program Structure

As a general indication of the comparative profile of each respondent category, Table 1.2 presents financial and operational highlights for selected fiscal years. Average total revenues and expenses

TABLE 1.1
SUMMARY OF PARTICIPATING INSTITUTIONS
December 30, 1977

Respondent Category	NCAA Membership on September 1, 1978		Number of Respondents	Percentage of 330	Number of Responding Institutions			
	Number	Percentage			Government Supported	Privately Financed	Conference Members	Independents
Class A Institutions	137	19%	86	26%	63	23	70	16
Class B Institutions	132	18	57	17	44	13	39	18
Class C Institutions	206	28	101	31	21	80	64	37
Class D Institutions	62	9	22	7	5	17	8	14
Class E Institutions	71	10	28	8	9	19	10	18
Class F Institutions	114	16	36	11	17	19	14	22
Response Rate	722	100%	330	100%	159	171	205	125
(330/722) = 46%			Percentage of 330 Respondents		48%	52%	62%	38%

increased materially during the period 1970-1977, and each respondent category also shows an increase in participating athletes between 1973 and 1977. The percentage increase in revenues and expenses measures a relative change over an eight-year period, but average expenses in 1977 exceeded average revenues for every class.

Financial and operational relationships are examined in detail throughout the study, but Table 1.2 supports the opinion expressed by 65 per cent of all respondents that the problem of rising program costs is serious and methods are needed to control major expenses and to eliminate unnecessary costs. In 1969, 56 per cent of all respondents expressed the same opinion. Since 1969, many cost-control measures have been adopted by the NCAA membership; and others have been considered or used temporarily. These policy-related cost-control measures are considered throughout the study when specific financial trends are evaluated.

In 1969, women's intercollegiate sports were not a significant factor in most athletic programs and were not analyzed separately in the 1970 study. In 1977, many Class A respondents reported women's programs with annual operating expenses over $100,000, 10 sports and more than 100 participating athletes. The financial profiles in Table 1.2 and throughout this study relate *only* to men's intercollegiate sports unless specifically indicated otherwise. Information concerning women's athletic programs is reported in Chapter IV. Respondents were directed to report men's athletic program information separately so that trends since 1960 would be more comparable over time.

Organization of the Report

The questionnaire used in this survey contained three parts:

Part I – General Information
Part II – Organization and Activity Data
Part III – Revenue and Expense Information

Questionnaire Part I involved 14 questions about program objectives, financial policies and specific factors affecting financial trends. Replies to these questions are reported throughout the study; and the specific questions and tabulated replies are presented for reference purposes in Appendix A and Appendix B, respectively. Information developed from replies to Part II and Part III is summarized in appropriate tables.

Revenue trends and related information are summarized in Chapter II, and Chapter III presents expense trends and related analysis. Revenue and expense relationships are analyzed in Chapter IV. It should be emphasized that average measures are used extensively throughout the study and that individual institutions may have experienced different revenue and expense patterns than shown by measures of central tendency for a group of respondents. Where appropriate, averages are supplemented with detailed frequency distributions that summarize data reported by all respondents. To the extent that conclusions are based upon average measures, these conclusions are generalizations and represent an overall pattern that specific institutions can employ for comparative self-assessment of their own financial trends.

TABLE 1.2
FINANCIAL AND OPERATIONAL HIGHLIGHTS
Fiscal Years 1970, 1973 and 1977
(Dollar Amounts in Thousands)

Financial and Operational Measures*	Class A	Class B	Class C	Class D	Class E	Class F
Average Total Revenues						
Fiscal year 1970 (1969-70)	$1,263	$152	$ 42	$ 93	$ 39	$ 24
Fiscal year 1977 (1976-77)	2,183	311	55	196	69	39
Percentage increase	73%	105%	31%	111%	77%	62%
Average Total Expenses						
Fiscal year 1970	$1,263	$265	$125	$216	$ 80	$ 48
Fiscal year 1977	2,213	460	171	317	146	83
Percentage increase	75%	74%	37%	47%	82%	73%
Average Number of Sports						
Fiscal year 1973	10	9	10	8	6	8
Fiscal year 1977	10	10	11	8	8	8
Average Number of Athletes						
Fiscal year 1973	328	267	268	141	108	127
Fiscal year 1977	337	303	308	145	135	159

*Unless indicated otherwise, all information reported in this study involves only men's athletic programs.

Chapter II
Analysis of Revenues

Revenue is a term that generally describes the gross income and certain other receipts collected by an organization. A profit-oriented use of the term restricts the meaning of revenue to gross income earned through the process of providing goods and services in exchange for a fee. A less restrictive concept views revenue as additions to the resources of an institution that do not increase its liabilities, do not represent the recovery of an expenditure and do not represent contributions to fund capital.

This less restrictive concept has been used to define revenues of athletic programs. Accordingly, total revenues include charges for services rendered, gains from the disposal of assets, interest and dividends on investments and other receipts that are intended to support current operations, such as gifts and appropriations. Revenues include guarantees and options received by an institution from opposing teams under game contracts. Amounts paid to opposing teams under game contracts should be re-

TABLE 2.1
MEDIAN AND MEAN TOTAL REVENUES
Fiscal Years 1970-1977
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1970	1971	1972	1973	1974	1975	1976	1977
Class A Institutions								
Median total revenues	$1,161	$1,297	$1,297	$1,407	$1,509	$1,699	$1,938	$2,018
Mean total revenues	1,263	1,382	1,441	1,570	1,708	1,849	2,085	2,183
Annual percentage change (a)	–	9%	4%	9%	9%	8%	13%	5%
Class B Institutions								
Median total revenues	$ 74	$ 91	$ 102	$ 146	$ 147	$ 163	$ 184	$ 200
Mean total revenues	152	180	193	225	229	236	276	311
Annual percentage change	–	18%	8%	16%	2%	3%	17%	13%
Class C Institutions								
Median total revenues	$ 11	$ 12	$ 10	$ 14	$ 13	$ 12	$ 13	$ 14
Mean total revenues	42	42	43	47	47	50	53	55
Annual percentage change	–	0%	2%	9%	0%	8%	5%	3%
Class D Institutions								
Median total revenues	$ 37	$ 46	$ 34	$ 73	$ 100	$ 97	$ 96	$ 106
Mean total revenues	93	112	111	120	135	133	163	196
Annual percentage change	–	20%	–1%	8%	12%	–1%	23%	20%
Class E Institutions								
Median total revenues	$ 9	$ 12	$ 13	$ 25	$ 33	$ 36	$ 39	$ 33
Mean total revenues	39	49	44	72	64	87	63	69
Annual percentage change	–	26%	–10%	64%	–11%	36%	–27%	8%
Class F Institutions								
Median total revenues	$ 7	$ 8	$ 8	$ 14	$ 15	$ 12	$ 14	$ 17
Mean total revenues	24	28	33	33	38	37	37	39
Annual percentage change	–	16%	15%	3%	12%	–2%	0%	6%

(a) Annual percentage change based on mean total revenues

ported as operating expenses. Separate sections in this chapter analyze total program revenues, revenues classified by source, revenues classified by sport or functional origin and revenues derived from major sports of football and basketball.

Total Program Revenues

Total program revenues for the eight-year period 1970-1977 and other selected years are analyzed in the following exhibits:

Table 2.1—Median and Mean Total Revenues
Table 2.2—Frequency Distributions for Total Revenues
Table 2.3—Summary Analysis of Total Revenues
Table 2.4—Revenue Trends and General Price-Level Changes
Table 2.5—Estimated Aggregate Revenues
Table 2.6—Forecasts of Average Total Revenues

Total Revenue Trends

Mean and median total revenues are presented by respondent category in Table 2.1 for the period 1970-1977. Class A respondents most closely approximate a statistically normal distribution, which has equal mean and median measures. Average total revenues for other respondents exceed the median measure and are influenced by comparatively large revenue amounts reported by some institutions in each category. Both mean and median total revenues indicate a pattern of revenue growth for all respondents, ranging from a 4 per cent compound annual growth rate for Class C to the 11 per cent compound annual growth rate for Class B.

Frequency distributions for total revenues in 1977 are shown by respondent category in Table 2.2. These distributions indicate the dispersion in total revenue data reported by each class and are useful supplements to the mean and median amounts reported in Table 2.1. Each distribution reveals a

TABLE 2.2
FREQUENCY DISTRIBUTIONS FOR TOTAL REVENUES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Class A Group

More Than	Less Than	Number
$ 0	$ 600	12
600	1,200	14
1,200	1,800	12
1,800	2,400	12(M)
2,400	3,000	8
3,000	3,600	9
3,600	4,200	4
4,200	4,800	4
4,800	5,400	4
over	5,400	2
		81

Class B Group

More Than	Less Than	Number
$ 0	$100	20
100	200	5
200	300	6
300	400	6(M)
400	500	2
500	600	2
600	700	1
700	800	4
800	900	2
over	900	2
		50

Class C Group

More Than	Less Than	Number
$ 0	$ 25	44
25	50	11
50	75	4(M)
75	100	4
100	125	3
125	150	1
over	150	4
		71

Class D Group

More Than	Less Than	Number
$ 0	$ 25	3
25	50	4
50	75	2
75	100	1
100	125	0
125	150	1
150	175	2
175	200	2(M)
over	200	5
		20

Class E Group

More Than	Less Than	Number
$ 0	$ 25	9
25	50	6
50	75	3(M)
75	100	0
100	125	3
over	125	3
		24

Class F Group

More Than	Less Than	Number
$ 0	$ 25	8
25	50	1(M)
50	75	2
75	100	2
over	100	1
		14

(M) Indicates revenue interval corresponding with average total revenue for 1977

significant range in total revenues reported by each class and permits interclass comparison of revenue structures. For example, 15 per cent of Class A reported revenues of $600,000 or less; and 18 per cent of Class B reported total revenues of $600,000 or more. As a general guideline, the frequency distributions indicate that many institutions in Classes B, C, E and F reported revenues less than the average amounts determined for 1977. In these particular classes, earned revenues such as gate receipts are a less significant factor than for Classes A and D respondents.

The range of total revenues reported in 1977 is shown in Table 2.3 in comparison with average total revenues for each class. This table also includes a compound annual growth rate applicable to average total revenues for each class during the period 1970-1977. These growth rates are the compound annual rates of increase that explain the change in average total revenues between 1970 and 1977 for each class. For example, Class A average revenues increased from $1,263,000 in 1970 to $2,183,000 in 1977. The equal annual percentage growth rate that explains this increase for Class A is 8 per cent.[1] Since the actual percentage change in average revenues each year tends to vary, as shown in Table 2.1, the compound annual growth rate is a convenient measure that summarizes the general revenue growth shown by each respondent category.

Evaluation of Revenue Growth

Revenue growth during the period 1970-1977 must be evaluated by comparison with expense trends and general inflationary influences. The major effect of general price-level changes or inflation upon athletic programs involves the comparability of revenues over a period of years. Almost all financial information for athletic programs involves the source and disposition of resources on a current annual basis. Historical trends of these financial operations are therefore affected by changes in the general price level of the economy. Over a series of years, the effects of price-level changes could appear as rising expenses for an athletic program that perhaps experienced no real increase in the quantity of goods and services acquired. Since most athletic programs generate revenues to recover operating expenses, revenue trends are likewise affected by inflationary trends that reduce the purchasing power of money.

As an indicator of the general price level in the United States, the most comprehensive index is the Gross National Product price deflator compiled by the United States Department of Commerce. During the period from 1969-70 through 1976-77, based on fiscal years approximating those applicable to colleges and universities, the GNP price index increased 54 per cent. The cumulative change during this period is equivalent to a compound annual increase of 6 per cent in the general price level. Accordingly, an athletic program with a compound annual growth rate in revenues of less than 6 per cent failed to maintain its relative ability to acquire goods and services with those funds.

Revenue trends and general price-level changes for the period 1970-1977 are compared in Table 2.4. The average GNP price index was restated for comparative purposes such that the average index for fiscal year 1970 is 100 per cent. For each respondent category, average total revenues are shown as a percentage of 1970 average revenues, based on both actual historical dollar amounts and revenues restated to the average price level of fiscal year 1970.

The *adjusted base-year ratio* in Table 2.4 indicates the annual change in average total revenues based on a common-dollar measure using the general price level applicable to fiscal year 1970. Restatement of average revenues for each year eliminates the general inflationary effect that may have been responsible

TABLE 2.3
SUMMARY ANALYSIS OF TOTAL REVENUES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Respondent Category	Total Revenues For 1977			1970-1977 Compound Growth Rate*
	High	Average	Low	
Class A Institutions	$6,616	$2,183	$121	8%
Class B Institutions	1,372	311	5	11%
Class C Institutions	1,182	55	1	4%
Class D Institutions	998	196	6	11%
Class E Institutions	310	69	1	8%
Class F Institutions	156	39	2	7%

*The annual growth rate that explains the change in average revenues between 1970 and 1977.

[1]Thus, $1,263,000 (1 + 8%)^7 = $2,183,000 as a basic application of present value concepts. Compound growth rates were rounded to the nearest whole per cent.

for revenue growth measured in historical dollars. Since revenues constitute the inflow of resources that provide command over goods and services, the adjusted base-year ratio is an overall measure of real revenue growth because it is based on a constant unit of measurement (the 1970 average price level). It should be noted that base-year ratios in Table 2.4 would be the same even if revenues were restated to the price level of another time period, such as fiscal year 1977.

Base-year ratios in Table 2.4 should be interpreted as follows. For Class A, 1977 average revenues are 173 per cent of the 1970 average, which indicates a 73 per cent increase expressed in historical dollars. When the effect of inflationary trends is eliminated, Class A revenues in 1977 represent 112 per cent of the 1970 average revenues. In general terms, this 12 per cent increase represents real growth caused by increased attendance at athletic events or revenue increases which exceeded the change in the general price level. During the period 1970-1977, a 54 per cent increase in average actual revenues was required to maintain revenue growth at a rate equal to general price-level changes measured by the GNP price index. Only Class C failed to demonstrate such growth, and other respondent categories reported a 1977 base-year index over 154 per cent and demonstrated compound annual growth rates in excess of the 6 per cent applicable to the general price level.

Revenue Estimates and Forecasts

To indicate the financial significance of total program revenues, aggregate total revenues for NCAA member institutions in fiscal year 1977 are

TABLE 2.5
ESTIMATED AGGREGATE REVENUES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Respondent Category	Number of Members	Average Total Revenues-1977	Estimated Aggregate Revenues
Class A Institutions	137	$2,183	$299,071
Class B Institutions	132	311	41,052
Class C Institutions	206	55	11,330
Class D Institutions	62	196	12,152
Class E Institutions	71	69	4,899
Class F Institutions	114	39	4,446
	722		$372,950

TABLE 2.4
REVENUE TRENDS AND GENERAL PRICE-LEVEL CHANGES
Fiscal Years 1970-1977

Average Total Revenues as a Percentage of 1970 Mean Revenues	1970	1971	1972	1973	1974	1975	1976	1977
Average Price-Level Index (a)	100	105	110	115	124	137	146	154
Class A Institutions								
Base-year ratio-actual (b)	100	109	114	124	135	146	160	173
Adjusted base-year ratio (c)	100	104	104	108	109	107	113	112
Class B Institutions								
Base-year ratio-actual	100	118	127	148	151	155	182	205
Adjusted base-year ratio	100	113	116	129	122	113	124	133
Class C Institutions								
Base-year ratio-actual	100	100	102	112	112	119	126	131
Adjusted base-year ratio	100	95	93	98	91	87	86	85
Class D Institutions								
Base-year ratio-actual	100	120	119	129	145	143	175	211
Adjusted base-year ratio	100	115	109	112	117	104	120	137
Class E Institutions								
Base-year ratio-actual	100	126	113	185	164	223	162	177
Adjusted base-year ratio	100	120	103	161	133	163	110	115
Class F Institutions								
Base-year ratio-actual	100	116	137	137	158	154	154	162
Adjusted base-year ratio	100	111	125	120	128	112	105	106

(a) Gross National Product price deflator for fiscal years ending June 30 restated such that 1970 = 100%
(b) Average total revenues as a percentage of 1970 average total revenues
(c) Revised base-year ratio using average total revenues stated in terms of the average price level during 1970

estimated in Table 2.5. Assuming that the response rate from each class is representative, a point estimate of aggregate total revenues collected by all NCAA members during fiscal year 1977 is approximately $373 million. This amount is 82 per cent more than the comparable estimate of $205 million for fiscal year 1969. As indicated in Chapter IV, many institutions reported total revenues that were less than total operating expenses. Aggregate total expenses for 1977 were estimated by similar procedures to be approximately $439 million for all NCAA members.

Based on the available 18 years of financial history for certain respondent categories, forecasts of average total revenues were developed for Classes A, B and C as shown in Table 2.6. These forecasts of average total revenues are based on an exponential growth model that assumes a constant rate of increase in average total revenues based on historical observations over the period 1960-1977. For Classes A, B and C, the developed time-series models were sufficiently accurate in forecasting 1960-1977 actual average revenues; and average revenue forecasts for fiscal years 1978 through 1981 are presented in Table 2.6. For fiscal year 1980-81, average revenue forecasts are $2,826,000 for Class A, $400,000 for Class B and $85,000 for Class C. The forecasts incorporate the assumption that operational and institutional factors influencing past trends will continue to affect future trends. The reliability of such time-series forecasts cannot be assured, but the estimates provide useful information concerning the potential revenues to be expected by these respondent categories in future years.

Analysis of Revenue Sources

For purposes of this study, *revenue sources* are identified as the activities that generate gross income and the organizations that provide support for athletic programs. Intercollegiate athletics typically derive a significant portion of earned revenues from gate receipts and similar proceeds associated with spectator sports. Other earned revenue sources include student activity fees that grant admission to athletic events and contract settlements in the form of guarantees and options. As summarized in Tables 2.7 and 2.8, there are seven major revenue sources that explain a substantial percentage of total program revenues:

(1) Total ticket sales to public, students and university staff, not reduced by guarantees subsequently paid.
(2) Student activity fees covering admissions, not included in (1).
(3) Student activity fees or assessments not related to athletic admissions.
(4) Guarantees and options received.
(5) Contributions from alumni and others.
(6) Distributions from conference or other associations for bowl games, tournaments or television.
(7) Direct state or other government support.

Principal Revenue Sources

The seven revenue sources described above and the residual category of all other revenues are analyzed in Tables 2.7 and 2.8. For fiscal years 1973 and 1977, the seven principal revenue sources account for approximately 90 per cent of Class A revenues, 93 per cent for Class B, 88 per cent for Class C, 89 per cent for Class D, 98 per cent for Class E and 99 per cent for Class F. In Table 2.7, differences among respondent categories are apparent as to sources of revenue that

TABLE 2.6
FORECASTS OF AVERAGE TOTAL REVENUES
Fiscal Years 1978-1981
(Dollar Amounts in Thousands)

Revenue Forecasts and Analysis	Respondent Categories		
	Class A	Class B	Class C
Average Revenues for 1977	$2,183	$ 311	$ 55
Model Forecasts for 1977	2,153	296	66
Forecast Error as % of Actual	1.4%	4.8%	12.0%
Coefficient of Determination	.9811	.9740	.9583
Forecasts of Average Revenues			
Fiscal year 1978	$2,305	$ 319	$ 67
Fiscal year 1979	2,467	344	72
Fiscal year 1980	2,640	371	78
Fiscal year 1981	2,826	400	85

Exponential growth model forecasts for Class D involve excessive error rates and are not presented. Classes E and F, as currently defined, do not have sufficient years of data for reliable application of time-series forecasting procedures.

provide the major portion of support for athletic programs. Classes A and D institutions relied more heavily upon ticket sales and contract settlements, while the other categories relied more upon student activity fees and assessments. For Class A respondents, principal revenue sources were fairly constant between 1973 and 1977 as a percentage of total revenues.

Percentage composition of total revenues classified by source is summarized in Table 2.8 for fiscal years 1965, 1969, 1973 and 1977. As an indication of general revenue mix, total ticket sales declined as a percentage of total revenues during this 12-year period. In Class A, the relative decline in ticket sales was balanced by increases in contributions and distributions for special events. For Class B respond-

TABLE 2.7
ANALYSIS OF PRINCIPAL REVENUE SOURCES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Average Amount in 1977 and Percentage of Total Revenues in 1977 and 1973	Class A	Class B	Class C	Class D	Class E	Class F
Total ticket sales not reduced by contract settlements	$1,040	$ 44	$ 30	$ 99	$ 10	$ 9
Percentage of total-1977 (1973)	47% (48)	16% (26)	27% (37)	43% (46)	12% (44)	12% (12)
Student activity fees for athletic admissions	$ 267	$ 103	$ 23	$ 77	$ 76	$ 48
Percentage of total-1977 (1973)	7% (8)	21% (21)	6% (7)	12% (11)	40% (21)	51% (66)
Student assessments unrelated to admissions	$ 222	$ 142	$ 110	$ 60	$ 21	$ 14
Percentage of total-1977 (1973)	2% (3)	7% (6)	24% (23)	9% (13)	1% (1)	4% (4)
Guarantees and options received	$ 314	$ 16	$ 9	$ 20	$ 4	$ 5
Percentage of total-1977 (1973)	12% (12)	4% (4)	3% (2)	8% (8)	4% (11)	4% (0)
Contributions from alumni and others	$ 246	$ 31	$ 9	$ 30	$ 10	$ 8
Percentage of total-1977 (1973)	10% (7)	5% (9)	2% (1)	7% (6)	8% (7)	2% (1)
Distributions from conferences and other associations	$ 270	$ 11	$ 6	$ 111	$ 2	$ 2
Percentage of total-1977 (1973)	10% (10)	1% (3)	1% (6)	17% (5)	1% (4)	1% (0)
Direct state or other governmental support	$ 244	$ 198	$ 219	$ 0	$ 109	$ 46
Percentage of total-1977 (1973)	2% (2)	28% (24)	21% (12)	0% (0)	26% (10)	24% (16)
All other revenues	$ 258	$ 84	$ 61	$ 16	$ 12	$ 4
Percentage of total-1977 (1973)	10% (10)	18% (7)	16% (12)	4% (11)	8% (2)	2% (1)

TABLE 2.8
REVENUE SOURCES AS A PERCENTAGE OF TOTAL REVENUES
Fiscal Years 1965-1977

Revenue Sources as a Percentage of Total Revenues	Class A Group				Class B Group				Class C Group				Class D Group			
	1965	1969	1973	1977	1965	1969	1973	1977	1965	1969	1973	1977	1965	1969	1973	1977
Total Ticket Sales	53%	51%	48%	47%	27%	20%	26%	16%	27%	21%	37%	27%	47%	40%	46%	43%
Student Activity Fees	6	7	8	7	23	33	21	21	63	66	7	6	11	11	11	12
Student Assessments	5	5	3	2	13	13	6	7	3	3	23	24	7	9	13	9
Guarantees and Options	12	11	12	12	8	6	4	4	1	1	2	3	18	23	8	8
Contributions From Alumni	5	5	7	10	4	4	9	5	NR	NR	1	2	NR	NR	6	7
Distributions-Special Events	4	5	10	10	NR	NR	3	1	NR	NR	6	1	5	3	5	17
Government Support	2	2	2	2	17	17	24	28	NR	NR	12	21	NR	NR	0	0
All Other Revenues	13	14	10	10	8	7	7	18	6	9	12	16	12	14	11	4

NR—None reported in 1970 study or amount was less than .5%

ents, the decline in ticket sales was balanced by the reported percentage increase in government support. In Class C, there was a significant shift between student activity fees and student assessments unrelated to admissions.

Direct Government Support

Of the 330 respondents included in this study, 48 per cent were government-supported institutions. Direct government support is a distinct source of unearned revenues that is applicable to many institutions and not applicable to others. Since the respondents constitute a sample from their respective classes, the following tabulation compares the percentage of government-supported institutions included in this study (1977) and the 1970 report.

Government-Supported Respondents

	1970	1977	
Class A	74%	73%	
Class B	77	77	
Class C	22	21	
Class D	0	23	
Class E	40	32	(redefined in 1977)
Class F (1977 only)	–	47	

For Classes B and C, the percentages above are important when considered along with the significant percentage increase in total revenues represented by direct government support as shown in Table 2.8. The increased significance of government support shown for Classes B and C institutions is not attributable to including more government-supported institutions in the respondent base.

In connection with the revenue source of direct government support, respondents were asked whether the athletic program receives any direct government support and what restrictions are placed on these funds. The following response summary is based on replies from the government-supported respondents. (Questionnaire Part I, 1, 2 and 2A.)

Respondent Category	A	B	C	D	E	F
Government supported	63	44	21	5	9	17
Receive government support	52%	100%	62%	60%	89%	76%
Support is restricted for:						
Salaries	73%	76%	92%	33%	63%	77%
Nonrevenue sports	27	22	15	0	12	38
Grants-in-aid	30	30	12	67	37	12
Other purposes	39	33	46	67	12	23
No restrictions imposed	18	27	8	0	25	8

A majority of all government-supported respondents received direct government support for intercollegiate athletics. The most frequent restriction applicable to government support is that funds are appropriated for salaries of athletic department personnel. Government support without formal restriction most logically applies to a transfer from general operating funds of the institution.

Policies Affecting Revenues

The questionnaire in Part I requested information concerning several policies and operating practices that affect various revenue sources. Response summaries to several of these questions are provided as qualitative information to supplement the revenue source analyses in Tables 2.7 and 2.8.

(Part I, Question 7) "Does the athletic department receive any income from endowments or other permanent investments?"

	A	B	C	D	E	F
Yes	45%	16%	9%	14%	11%	3%
No	55	84	91	86	89	97

(Part I, Question 8) "For your major sports, are admission rights, by ticket or other means, assessed to students on a mandatory basis through fees collected during student registration?"

	A	B	C	D	E	F
Yes	60%	65%	44%	52%	44%	27%
No	40	35	56	48	56	73

(Part I, Question 9) "For your major sports, are season tickets or other rights to admission sold to students on an optional basis only?"

	A	B	C	D	E	F
Yes	44%	40%	15%	21%	7%	18%
No	56	60	85	79	93	82

(Part I, Question 10) "Is some portion of a general activity fee paid by students allotted to the athletic department without entitling students to admission to athletic events?"

	A	B	C	D	E	F
Yes	18%	14%	7%	10%	7%	6%
No	82	86	93	90	93	94

(Part I, Question 11) "Have ticket prices in any major sport been increased since the end of the 1972-73 academic year?"

	A	B	C	D	E	F
Yes	90%	89%	66%	71%	68%	35%
No	10	11	34	29	32	65

Consistent with results in the 1970 study, the most prevalent policy of directing student fees to the athletic program involves the collection of required fees that confer admission rights for major sports.

Revenues Classified by Sport

Since individual sports are the principal activities comprising an athletic program, it is important to

evaluate the revenues generated by each sport and the percentage composition of total revenues classified by sport. Many revenue sources can be directly associated with specific sports, such as ticket sales, guarantees and options, concessions, advertising and broadcasting fees. Other revenues such as student activity fees, contributions, investment income and direct government support are usually not identifiable with specific sports.

Average revenues associated with major sports and their percentage contribution to total program revenues are reported in Table 2.9 for fiscal years 1973 and 1977. Member institutions were asked to disclose revenues clearly identified with football, basketball, all other sports combined and the residual amount of total revenues not related to specific sports.

In Classes C, E and F, the percentage of total revenues not related to particular sports increased significantly. These same respondent categories show a material increase in direct government support as a percentage of total revenues between 1973 and 1977 (Table 2.7). Classes A, B and D respondents were consistent in the cumulative percentage of total revenues derived from specific sports, with 77 per cent, 59 per cent and 78 per cent of total revenues associated with various particular sports.

The percentage of total revenues represented by football and basketball in fiscal years 1961 through 1977 is summarized in Table 2.10. For comparative purposes, revenues from sports other than football and basketball and all remaining revenues have been combined. As a percentage of total revenues, the football contribution has declined in all applicable classes since 1961. For Classes A and C respondents, the percentage decrease in football revenues was partly compensated by an increase in basketball revenues. Since Table 2.9 shows no significant percentage change in revenues derived from sports other than football and basketball, the general trend in Table 2.10 toward a larger percentage of *all other revenues* must be attributed to increases in revenues not traceable to particular sports.

Analysis of Football Revenues

Revenues derived from football for Classes A, B and C respondents are analyzed in the following three exhibits:

Table 2.11—Analysis of Trends in Football Revenues

Table 2.12—Summary Analysis of Football Revenues

Table 2.13—Percentage Composition of Football Revenues

Average football revenues increased significantly for Classes A and B respondents between 1961 and 1977. Class C football revenues increased only $2,000 during this period, and the percentage of football revenues to total revenues declined significantly for each respondent category.

TABLE 2.9
TOTAL REVENUES CLASSIFIED BY SPORT
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Average Revenue Amounts and Percentage of Total Revenues by Respondent Category	Football Revenues		Basketball Revenues		Revenues From Other Sports		Revenues Not Related to Specific Sports		Total Revenues
	Average	Per Cent	Average	Per Cent	Average	Per Cent	Average	Per Cent	
Class A Institutions									
Fiscal year 1973	$1,028	66%	$ 148	9%	$ 35	2%	$ 379	23%	100%
Fiscal year 1977	1,333	62	270	12	62	3	573	23	100
Class B Institutions									
Fiscal year 1973	$ 64	31%	$ 29	14%	$ 52	14%	$ 132	41%	100%
Fiscal year 1977	88	30	44	15	59	14	156	41	100
Class C Institutions									
Fiscal year 1973	$ 13	29%	$ 17	39%	$ 10	9%	$ 46	23%	100%
Fiscal year 1977	10	24	16	34	11	12	53	30	100
Class D Institutions									
Fiscal year 1973	–	–	$ 84	64%	$ 32	14%	$ 71	22%	100%
Fiscal year 1977			129	66	46	12	99	22	100
Class E Institutions									
Fiscal year 1973	–	–	$ 15	43%	$ 30	30%	$ 26	27%	100%
Fiscal year 1977			17	29	31	26	60	45	100
Class F Institutions									
Fiscal year 1973	–	–	$ 2	7%	$ 33	27%	$ 27	66%	100%
Fiscal year 1977			5	10	15	10	58	80	100

TABLE 2.10
PERCENTAGE ANALYSIS OF TOTAL REVENUES CLASSIFIED BY SPORT
Fiscal Years 1961-1977

Functional Sources of Revenue by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Football revenues	71%	72%	68%	66%	62%
Basketball revenues	8	8	9	9	12
All other revenues	21	20	23	25	26
Class B Institutions					
Football revenues	43%	30%	34%	31%	30%
Basketball revenues	17	20	20	14	15
All other revenues	40	50	46	55	55
Class C Institutions					
Football revenues	51%	37%	33%	29%	24%
Basketball revenues	18	20	12	39	34
All other revenues	31	43	55	32	42
Class D Institutions					
Basketball revenues	91%	90%	89%	64%	66%
All other revenues	9	10	11	36	34

The growth rate for average football revenues was less than the compound annual growth rate for average total revenues between 1961 and 1977 as shown by the following tabulation.

	Compound Growth Rate 1961-1977	
Respondents	Total Revenues	Football Revenues
Class A	7.5%	6.5%
Class B	9.0	7.5
Class C	8.0	1.5

While football revenues increased annually for Classes A and B respondents, the annual growth rate was less than the annual rate of increase for total program revenues. Accordingly, the percentage of football revenues to total revenues declined during the period 1961-1977.

In terms of specific revenue sources comprising total football revenues, six revenue sources explained 94 per cent of Class A revenues, 91 per cent of Class B revenues and 85 per cent of Class C revenues in fiscal year 1977. The percentage composition of Class A football revenues was relatively stable as

TABLE 2.11
ANALYSIS OF TRENDS IN FOOTBALL REVENUES
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Average football revenues	$527	$697	$960	$1,028	$1,333
Percentage of total revenues	71%	72%	68%	66%	62%
Ratio to 1960 revenues	106	140	193	206	268
Class B Institutions					
Average football revenues	$ 31	$ 38	$ 45	$ 64	$ 88
Percentage of total revenues	43%	40%	34%	31%	30%
Ratio to 1960 revenues	119	146	173	246	338
Class C Institutions					
Average football revenues	$ 8	$ 7	$ 8	$ 13	$ 10
Percentage of total revenues	51%	37%	33%	29%	24%
Ratio to 1960 revenues	114	100	114	186	143

TABLE 2.12
SUMMARY ANALYSIS OF FOOTBALL REVENUES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

	Average Revenues		Percentage	1977 Revenue Range	
Respondent Category	1973	1977	Change	High	Low
Class A Institutions	$1,028	$1,333	+30%	$4,388	$44
Class B Institutions	64	88	+37%	487	1
Class C Institutions	13	10	−23	142	.3

shown in Table 2.13. For Classes B and C institutions, there were material changes in the relationship of total ticket sales to total football revenues. In Class B, ticket sales increased from 25 per cent to 31 per cent of football revenues, which was balanced primarily by a decrease in the percentage of football revenues attributed to student activity fees. For the Class C group, ticket sales declined from 42 per cent to 28 per cent of football revenues with a similar increase in other football revenues of an unspecified nature. These changes in football ticket sales do not follow the pattern for total ticket sales as a principal revenue source shown in Table 2.8 for total program revenues.

Analysis of Basketball Revenues

Revenues derived from basketball are analyzed in the following three exhibits:

Table 2.14 – Analysis of Trends in Basketball Revenues

Table 2.15 – Summary Analysis of Basketball Revenues

Table 2.16 – Percentage Composition of Basketball Revenues

Average basketball revenues increased significantly between 1961 and 1977 for Classes A, B, C and D respondents, as indicated in Table 2.14. As currently defined, Classes E and F institutions were not reported in the 1970 study, and prior year information (1961-1972) is not available for these respondents. For the Class A group, basketball revenues increased from 8 per cent to 12 per cent of total revenues; and the Class C respondents recorded an increase from 18 per cent to 34 percent of total revenues. Basketball revenues in relation to total revenues decreased from 91 per cent to 66 per cent for Class D respondents.

Specific revenue sources as a percentage of total basketball revenues are compared for fiscal years 1973 and 1977 in Table 2.16. Six major revenue sources were defined from the previous study in 1970 as follows:

(1) Total ticket sales to public, students and university staff, not reduced by guarantees paid and excluding student activity fees.
(2) Student activity fees.
(3) Guarantees and options received.
(4) Contributions from alumni and others.
(5) Broadcasting and sponsors' fees from television, collected directly or by conference distribution.
(6) Direct state or other government support.

In 1977, these six revenue sources accounted for the following combined percentage of total basketball revenues: Class A, 90 percent; Class B, 89 per cent; Class C, 85 per cent; Class D, 81 per cent; Class E, 97 per cent; Class F, 96 per cent. Except for Classes E and F respondents, total ticket sales are the most significant revenue source in basketball. Revenue sources as a percentage of total basketball revenues were relatively stable for Classes A, B, C and D respondents. Ticket sales declined materially in Class E, with a balancing increase in direct government support. Ticket sales also decreased on a percentage basis in Class F, which reported a significant increase in student activity fees as a percentage of basketball revenues.

TABLE 2.13
PERCENTAGE COMPOSITION OF FOOTBALL REVENUES
Fiscal Years 1973 and 1977

Sources of Football Revenues	Class A Group		Class B Group		Class C Group	
	1973	1977	1973	1977	1973	1977
Total ticket sales not reduced by guarantees paid and excluding student activity fees	60%	58%	25%	31%	42%	28%
Student activity fees	2	2	29	25	36	35
Guarantees and options received	18	19	10	9	8	11
Contributions from alumni and others	3	5	4	5	2	5
Broadcasting and sponsors' fees for television	11	10	*	1	1	1
Direct government support	*	*	23	20	6	5
Other football revenues	6	6	9	9	5	15
Total Football Revenues	100%	100%	100%	100%	100%	100%

*Less than 1%

Summary

As a general summary of total revenue trends, mean and median total revenues for each respondent category indicate a continuing pattern of revenue growth, ranging from a 4 per cent compound annual growth rate for Class C to an 11 per cent annual growth rate for Class B. During the period 1970-1977, a cumulative 54 per cent increase in average total revenues was required to maintain revenue growth at a rate equal to general inflationary trends as measured by the Gross National Product price index. Except for Class C, all respondent categories demonstrated compound annual growth rates in excess of the 6 per cent applicable to the general price level.

TABLE 2.14
ANALYSIS OF TRENDS IN BASKETBALL REVENUES
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Average basketball revenues	$ 60	$ 80	$131	$148	$270
Percentage of total revenues	8%	8%	9%	9%	12%
Ratio to 1960 revenues	107	143	234	264	482
Class B Institutions					
Average basketball revenues	$ 11	$ 17	$ 24	$ 29	$ 44
Percentage of total revenues	17%	20%	20%	14%	15%
Ratio to 1960 revenues	92	142	200	242	367
Class C Institutions					
Average basketball revenues	$ 3	$ 4	$ 3	$ 17	$ 16
Percentage of total revenues	18%	20%	12%	39%	34%
Ratio to 1960 revenues	75	100	75	425	400
Class D Institutions					
Average basketball revenues	$ 47	$ 62	$ 61	$ 84	$129
Percentage of total revenues	91%	90%	89%	64%	66%
Ratio to 1960 revenues	90	119	117	162	248
Class E Institutions					
Average basketball revenues	NR	NR	NR	$ 15	$ 17
Percentage of total revenues				43%	29%
Class F Institutions					
Average basketball revenues	NR	NR	NR	$ 2	$ 5
Percentage of total revenues				7%	10%

NR—Not reported in 1970 study since Classes E and F institutions were redefined after that date.

TABLE 2.15
SUMMARY ANALYSIS OF BASKETBALL REVENUES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Respondent Category	Average Revenues 1973	Average Revenues 1977	Percentage Change	1977 Revenue Range High	1977 Revenue Range Low
Class A Institutions	$148	$270	+ 82%	$1,386	$ 9
Class B Institutions	29	44	+ 52	198	1
Class C Institutions	17	16	−6	624	2
Class D Institutions	84	129	+ 54	100	1
Class E Institutions	15	17	+ 13	67	1
Class F Institutions	2	5	+ 150	11	2

TABLE 2.16
PERCENTAGE COMPOSITION OF BASKETBALL REVENUES
Fiscal Years 1973 and 1977

Respondent Category	Total Ticket Sales	Student Activity Fees	Guarantees and Options	Contri-butions	Broad-casting Fees	Government Support	All Other Sources	Total Basketball Revenues
Class A Institutions								
Fiscal year 1973	59%	6%	12%	5%	7%	1%	10%	100%
Fiscal year 1977	62	4	11	5	7	1	10	100
Class B Institutions								
Fiscal year 1973	46%	22%	4%	4%	*	15%	9%	100%
Fiscal year 1977	43	16	8	6	2	14	11	100
Class C Institutions								
Fiscal year 1973	73%	11%	5%	1%	*	1%	9%	100%
Fiscal year 1977	64	12	5	2	1	1	15	100
Class D Institutions								
Fiscal year 1973	55%	11%	9%	4%	5%	0%	16%	100%
Fiscal year 1977	53	9	10	3	6	0	19	100
Class E Institutions								
Fiscal year 1973	31%	34%	8%	9%	*	14%	4%	100%
Fiscal year 1977	21	28	7	8	*	33	3	100
Class F Institutions								
Fiscal year 1973	28%	64%	0%	0%	0%	8%	*	100%
Fiscal year 1977	16	75	2	0	0	3	4	100

*Less than 1%

Chapter III
Analysis of Expenses

Operating expenses for an athletic program include current outlays for salaries, grants-in-aid, travel, equipment and supplies, contract game settlements paid to opposing teams and similar disbursements required for the current operation and administration of the athletic department. Operating expenses should be recognized during the time period when goods and services are consumed or utilized, and payment or disbursement of funds is not first necessary in order to recognize the expenses properly assignable to a specific time period.

Operating expenses should be distinguished from the term *expenditures*. As used in institutional accounting, expenditures include current operating expenses, additions to property, plant and equipment and certain types of debt service charges for principal and interest payments. This study is primarily concerned with trends and classifications of

TABLE 3.1
MEDIAN AND MEAN TOTAL EXPENSES
Fiscal Years 1970-1977
(Doliar Amounts in Thousands)

Expense Measures by Respondent Category	1970	1971	1972	1973	1974	1975	1976	1977
Class A Institutions								
Median total expenses	$1,173	$1,311	$1,421	$1,499	$1,588	$1,870	$1,950	$2,056
Mean total expenses	1,263	1,408	1,491	1,614	1,761	1,924	2,096	2,213
Annual percentage change (a)	–	12%	6%	8%	9%	9%	9%	6%
Class B Institutions								
Median total expenses	$ 225	$ 248	$ 253	$ 279	$ 295	$ 305	$ 331	$ 368
Mean total expenses	265	289	307	339	369	392	412	460
Annual percentage change	–	9%	6%	11%	9%	6%	5%	12%
Class C Institutions								
Median total expenses	$ 88	$ 88	$ 94	$ 96	$ 97	$ 96	$ 97	$ 111
Mean total expenses	125	123	128	136	145	153	162	171
Annual percentage change	–	−2%	4%	6%	6%	6%	6%	6%
Class D Institutions								
Median total expenses	$ 197	$ 242	$ 185	$ 171	$ 180	$ 185	$ 214	$ 281
Mean total expenses	216	247	246	235	252	255	289	317
Annual percentage change	–	14%	*	−5%	7%	1%	13%	10%
Class E Institutions								
Median total expenses	$ 53	$ 63	$ 64	$ 77	$ 97	$ 103	$ 131	$ 122
Mean total expenses	80	98	106	134	137	157	135	146
Annual percentage change	–	24%	7%	27%	2%	15%	−14%	8%
Class F Institutions								
Median total expenses	$ 42	$ 43	$ 41	$ 43	$ 53	$ 55	$ 61	$ 65
Mean total expenses	48	53	57	59	67	72	76	83
Annual percentage change	–	9%	8%	4%	13%	8%	5%	10%

(a) Annual percentage change based on mean total expenses.
* Less than 1%.

current operating expenses, and use of the term *expenses* refers to current operating expenses. Separate sections in this chapter analyze total operating expenses, expenses classified by object, grants-in-aid expenses and expenses related to particular sports.

Total Operating Expenses

Total operating expenses for the eight-year period 1970-1977 and other selected years are analyzed in the following exhibits:

Table 3.1 – Median and Mean Total Expenses
Table 3.2 – Analysis of Trends in Total Expenses
Table 3.3 – Frequency Distributions for Total Expenses
Table 3.4 – Summary Analysis of Total Expenses
Table 3.5 – Expense Trends and General Price-Level Changes
Table 3.6 – Estimated Aggregate Expenses
Table 3.7 – Debt Service Cost and Capital Expenditures
Table 3.8 – Forecasts of Average Total Expenses

Total Expense Trends

Median and mean total operating expenses are presented by respondent category in Table 3.1 for the period 1970-1977. This table also shows the annual percentage change in average expenses for each year except the initial period. Mean and median measures are reported to indicate the representativeness of central tendency measures used throughout this study. For Class A respondents, the mean and median measures are approximately equal, which is one characteristic of a normal distribution.

For other respondent categories, the mean often exceeds the median measure by a significant percentage difference. The mean or average measure is affected by the comparatively larger expense amounts reported by some institutions in each category. Average expense measures are used in this study as a representative expense amount, which partially compensates for the fact that some respondents do not include salaries and grants-in-aid expenses in the athletic budget if these expenses are paid from other institutional sources of funds.

Both mean and median total expenses indicate a pattern of increasing expenses for all respondent categories, although the cumulative percentage increase in average expenses between 1970 and 1977 was less than 100 per cent for each category. As a general measure of increasing annual expenses, compound annual growth rates ranged from 4 per cent for Class C to 9 per cent for Class E.

For Classes A, B, C and D respondents, general trends in average total expenses are summarized in Table 3.2 for the period from 1961 to 1977 using four-year intervals. Average expenses for each class in 1960 are used as a base amount to indicate the relative increase in average expenses over this 16-year period. Average Class A expenses in 1977 of $2,213,000 represent 349 per cent of the 1960 level, involving a 249 per cent increase since 1960. This longer-run trend analysis indicates the significant percentage increase applicable to average expenses for each respondent group.

Tables 3.3 and 3.4 present a detailed analysis of 1977 operating expenses for each respondent class. The frequency distributions for 1977 total expenses in Table 3.3 indicate the dispersion in total expenses

TABLE 3.2
ANALYSIS OF TRENDS IN TOTAL EXPENSES
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Average total expenses	$ 685	$ 887	$1,322	$1,614	$2,213
Ratio to 1960 expenses	108	140	208	254	349
Class B Institutions					
Average total expenses	$ 99	$ 148	$ 247	$ 339	$ 460
Ratio to 1960 expenses	110	164	274	377	511
Class C Institutions					
Average total expenses	$ 49	$ 63	$ 102	$ 136	$ 171
Ratio to 1960 expenses	104	134	217	289	364
Class D Institutions					
Average total expenses	$ 135	$ 170	$ 196	$ 235	$ 317
Ratio to 1960 expenses	105	133	153	184	248

reported by each class and are useful supplements to average and median expenses amounts. Each distribution reveals a significant range in total expenses reported by each category and allows interclass comparisen of total expense levels. The frequency distributions for total expenses tend to support the stratification of NCAA members into six groups. For analytical purposes, there are significant differences among the respondent categories in cost structure; and these differences are clearly indicated by the expense ranges for 1977 shown in Table 3.4.

The range of total expenses reported in 1977 is shown in Table 3.4 in comparison with average total expenses for each class. This table also includes a

TABLE 3.3
FREQUENCY DISTRIBUTIONS FOR TOTAL EXPENSES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Class A Group

More Than	Less Than	Number
$ 0	$ 600	4
600	1,200	14
1,200	1,800	16
1,800	2,400	17(M)
2,400	3,000	11
3,000	3,600	8
3,600	4,200	7
over	4,200	4
		81

Class B Group

More Than	Less Than	Number
$ 0	$ 150	6
150	300	14
300	450	7
450	600	8(M)
600	750	8
750	900	2
over	900	5
		50

Class C Group

More Than	Less Than	Number
$ 0	$ 50	4
50	100	31
100	150	13
150	200	9(M)
200	250	9
250	300	4
300	350	1
over	350	8
		79

Class D Group

More Than	Less Than	Number
$ 0	$ 150	6
150	300	6
300	450	7(M)
450	600	1
over	600	2
		22

Class E Group

More Than	Less Than	Number
$ 0	$ 50	4
50	100	4
100	150	6(M)
150	200	4
200	250	2
over	250	4
		24

Class F Group

More Than	Less Than	Number
$ 0	$ 50	3
50	100	10(M)
100	150	2
150	200	1
over	200	1
		17

(M)—Indicates expense interval corresponding with average total expense for 1977

TABLE 3.4
SUMMARY ANALYSIS OF TOTAL EXPENSES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Respondent Category	Total Expenses for 1977			1970-1977 Compound Growth Rate*
	High	Average	Low	
Class A Institutions	$6,309	$2,213	$ 399	8%
Class B Institutions	1,375	460	80	8%
Class C Institutions	999	171	39	4%
Class D Institutions	1,080	317	78	6%
Class E Institutions	355	146	28	9%
Class F Institutions	250	83	19	8%

*The annual growth rate that explains the change in average expenses between 1970 and 1977

compound annual growth rate applicable to average total expenses for each class during the period 1970-1977. These compound growth rates are the annual rates of increase that explain the change in average total expenses between 1970 and 1977. For example, Class B average expenses increased from $265,000 in 1970 to $460,000 in 1977. The equal annual percentage growth rate that explains this increase for Class B is 8 per cent. The actual percentage change in average expenses tends to vary each year, as shown in Table 3.1. Compound annual growth rates are convenient measures that summarize the expense increases for each respondent category between 1970 and 1977.

Evaluation of Expense Increases

The trend of increasing annual expenses for each institutional category can be evaluated to some degree by considering the general inflationary trends that prevailed during the period 1970-1977. The major impact of general price-level changes or inflation involves the comparability of expense trends. These historical trends in total expenses are affected by changes in the general price level of our economy. Over a period of years, the effects of inflation could appear as rising expenses for an athletic program that perhaps experienced no real increase in the quantity of goods and services acquired. The most comprehensive measure of general price level changes in the United States is the Gross National Product price deflator. During the period 1970-1977, this price index increased 54 per cent, which is equivalent to a compound annual increase of 6 per cent in the general price level. Accordingly, an athletic program with a compound growth rate in expenses of approximately 6 per cent demonstrates a pattern of increasing expenses that corresponds with general inflationary trends during the 1970-1977 period.

Expense trends and general price-level changes for the period 1970-1977 are compared in Table 3.5. For comparative purposes, the average GNP price index was restated such that the average index for 1970 is 100 per cent. Average total expenses are shown by respondent category as a percentage of 1970 average expenses, based on both actual historical dollar amounts and expenses restated to the general price level of fiscal year 1970. The *adjusted base-year ratio* in Table 3.5 indicates the change in average total expenses based on a common-dollar measure using the general price level applicable to fiscal 1970. Restatement of average expenses for each year eliminates the general inflationary effect that was partially responsible for expense increases measured in historical dollars. Since the adjusted base-year ratio

TABLE 3.5
EXPENSE TRENDS AND GENERAL PRICE-LEVEL CHANGES
Fiscal Years 1970-1977

Average Total Expenses as a Percentage of 1970 Mean Average Expenses	1970	1971	1972	1973	1974	1975	1976	1977
Average Price-Level Index (a)	100	105	110	115	124	137	146	154
Class A Institutions								
Base-year ratio-actual (b)	100	112	118	128	139	152	166	175
Adjusted base-year ratio (c)	100	106	108	111	113	111	113	114
Class B Institutions								
Base-year ratio-actual	100	109	116	128	139	148	156	174
Adjusted base-year ratio	100	104	105	112	113	108	106	113
Class C Institutions								
Base-year ratio-actual	100	98	102	109	116	122	130	137
Adjusted base-year ratio	100	94	93	95	94	89	88	89
Class D Institutions								
Base-year ratio-actual	100	114	114	109	117	118	134	147
Adjusted base-year ratio	100	109	104	95	94	86	91	95
Class E Institutions								
Base-year ratio-actual	100	122	132	167	171	196	169	182
Adjusted base-year ratio	100	117	121	146	138	143	115	118
Class F Institutions								
Base-year ratio-actual	100	110	119	123	140	150	158	173
Adjusted base-year ratio	100	105	108	107	113	109	108	112

(a) Gross National Product price deflator for fiscal years ending June 30 restated such that 1970 = 100%
(b) Average total expenses as a percentage of 1970 average
(c) Revised base-year ratio using average total expenses stated in terms of the average price level during 1970

involves a constant purchasing-power level, it is an overall measure of real increases in expenses incurred by athletic programs. If inflationary trends explained all increases in operating expenses, then the adjusted base year ratio would be 100 for each year between 1970 and 1977.

Base-year ratios in Table 3.5 should be interpreted as follows. For Class B, 1977 average expenses are 174 per cent of the 1970 average, which indicates a 74 per cent increase expressed in historical or actual dollar amounts. With the effect of inflationary trends eliminated, Class B expenses in 1977 represent 113 per cent of 1970 average expenses. In general, this 13 per cent increase represents a real increase in program expenses caused by acquiring more goods and services, expanding the program or paying for goods and services at prices that increased more rapidly than the general price level.

During the period 1970-1977, a 54 per cent increase in average total expenses would be considered normal if operating expenses increased at a rate equal to general price-level changes measured by the GNP price index. Classes C and D institutions experienced smaller percentage increases than indicated by the general price level, as shown by actual base-year ratios of 137 per cent and 147 per cent, respectively. For these two respondent groups, the adjusted base-year ratio of less than 100 per cent for 1977 indicates that expenses measured in constant dollars had actually decreased since 1970. Other respondent groups have a 1977 base-year index over 154 per cent and compound growth rates in excess of the 6 per cent applicable to the general price level. Inflationary trends also explained a substantial portion of the expense increases shown for Classes A, B, E and F respondents between 1970 and 1977.

Expense Estimates and Forecasts

To indicate the overall financial significance of total operating expenses, aggregate total expenses of NCAA member institutions for fiscal year 1977 are estimated in Table 3.6. The point estimate of aggregate total operating expenses incurred by all NCAA members during 1977 is approximately $439 million. This estimate is based on the assumption that the response rate from each class is representative, and the estimate was determined by multiplying average expenses for each category by the number of members and summing the computed amounts. The estimated aggregate expenses of $439 million are 92 per cent more than the comparable estimate of $229 million for fiscal year 1969. During the period 1969 to 1977, the NCAA membership increased from 655 to 722 institutions, which contributed an undeterminable amount to the 92 per cent increase in estimated aggregate expenses.

TABLE 3.6
ESTIMATED AGGREGATE EXPENSES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Respondent Category	Number of Members	Average Total Expenses-1977	Estimated Aggregate Expenses
Class A Institutions	137	$2,213	$303,181
Class B Institutions	132	460	60,720
Class C Institutions	206	171	35,226
Class D Institutions	62	317	19,364
Class E Institutions	71	146	10,366
Class F Institutions	114	83	9,462
	722		$438,609

In reporting total operating expenses, respondents were directed to exclude interest and principal payments on long-term debt and capital expenditures for physical plant facilities. These amounts for debt-service cost and acquisition of plant assets were reported separately and are summarized in Table 3.7. In 1977, these combined average expenditures ranged from $222,000 in Class A to $32,000 in Class E. It is significant to note the percentage of respondents that reported debt-service cost and capital expenditures for the athletic program. In Class A, more than 45 per cent of respondents reported these expenditures each year; but less than 25 per cent of respondents in all other classes reported debt-service cost and capital expenditures. These expenditures have not been included in any amounts of operating expenses described elsewhere in this study.

Given 18 years of historical expense trends for Classes A, B, C and D respondents, forecasts of average total expenses were developed as shown in Table 3.8. These forecasts for fiscal years 1978 through 1981 are based on an exponential growth model for each respondent group. This model assumes a constant rate of increase in average total expenses based on historical observations during the 1960-1977 period. For fiscal year 1980-81, average expense forecasts are $2,989,000 for Class A, $737,000 for Class B, $261,000 for Class C and $370,000 for Class D. While the reliability of these time-series forecasts cannot be assured, the estimates provide useful information of a general nature concerning the potential operating expenses that must be financed by respondent categories in future years.

Expenses Classified by Object

A classification of operating expenses by *object* describes the nature of goods and services acquired and is independent of the activity or function to

which such goods and services are devoted. As summarized in Tables 3.9 and 3.10, the percentage composition of total operating expenses is substantially explained by the following object classifications:

(1) Grants-in-aid.
(2) Guarantees and options paid.
(3) Salaries, wages and fringe benefits.
(4) Team travel, scouting and recruiting.
(5) Athletic equipment, uniforms and supplies.

Major Expense Classifications

The five major expense classifications listed above and the residual category of all other expenses are analyzed in Tables 3.9 and 3.10. In fiscal year 1977, these five object classifications accounted for the following cumulative percentage of total operating expenses: 75 per cent in Class A, 86 per cent in Class B, 85 per cent in Class C, 77 per cent in Class D, 85 per cent in Class E and 76 per cent in Class F. In

TABLE 3.7
DEBT SERVICE COST AND CAPITAL EXPENDITURES
Fiscal Years 1970-1977
(Dollar Amounts in Thousands)

Average Expenditures and Percentage of Respondents Reporting This Cost Item	1970	1971	1972	1973	1974	1975	1976	1977
Class A Institutions								
Average expenditures	$166	$182	$207	$229	$167	$266	$215	$222
Percentage reporting data	47%	47%	47%	47%	49%	52%	52%	52%
Class B Institutions								
Average expenditures	$103	$110	$118	$122	$126	$118	$ 88	$108
Percentage reporting data	10%	9%	12%	12%	9%	15%	19%	22%
Class C Institutions								
Average expenditures	$147	$108	$116	$115	$149	$108	$117	$146
Percentage reporting data	11%	10%	9%	8%	7%	9%	9%	9%
Class D Institutions								
Average expenditures	$ 38	$ 45	$ 57	$ 46	$ 37	$ 46	$ 46	$ 44
Percentage reporting data	24%	24%	16%	18%	23%	18%	19%	23%
Class E Institutions								
Average expenditures	$ 50	$ 50	$ 39	$ 39	$ 50	$ 38	$ 47	$ 32
Percentage reporting data	17%	15%	18%	21%	13%	17%	12%	21%
Class F Institutions								
Average expenditures	$ 32	$ 27	$ 33	$ 44	$ 49	$ 52	$ 59	$ 66
Percentage reporting data	19%	19%	19%	18%	18%	18%	18%	18%

TABLE 3.8
FORECASTS OF AVERAGE TOTAL EXPENSES
Fiscal Years 1978-1981
(Dollar Amounts in Thousands)

	Respondent Categories			
Expense Forecasts and Analysis	Class A	Class B	Class C	Class D
Average Expenses for 1977	$2,213	$ 460	$ 171	$ 317
Model Forecasts for 1977	2,221	496	187	303
Forecast Error as % of Actual	0.4%	8%	9%	4%
Coefficient of Determination	9943	.9987	.9970	.9768
Forecasts of Average Expenses				
Fiscal year 1978	$2,392	$ 547	$ 203	$ 318
Fiscal year 1979	2,576	604	221	334
Fiscal year 1980	2,775	667	240	352
Fiscal year 1981	2,989	737	261	370

Classes E and F, as currently defined, do not have sufficient years of data for reliable application of time-series forecasting procedures.

Table 3.9, differences are apparent as to the relative significance of certain operating expenses among respondent categories. Guarantees and options are a material expense classification for only the Class A group. Consistent with the Division II and Division III structure applicable to certain NCAA members, grants-in-aid to participating athletes are a more significant expense in Class B than in Class C; and the same generalization applies to a comparison of Class E and F institutions. For all respondent categories, the percentage composition of total expenses classified by object was relatively constant between 1973 and 1977. A common change for most respondent groups was a decrease in grants-in-aid as a percentage of total expenses and a corresponding increase in the percentage of expenses attributed to salaries and wages.

Percentage composition of total expenses classified by object is summarized by respondent categories for fiscal years 1965-1977 in Table 3.10. Relative shifts in the distribution of total expenses are more readily evident by examining relationships for this 12-year period. The Class A expense structure has been relatively stable, and the most pronounced change for the Class B group was an increase in salaries and wages from 24 per cent to 32 per cent of total expenses.

Inclusiveness of Expenses

For all respondent categories, grants-in-aid and salary payments on a combined basis were the most significant operating expenses when measured as a percentage of total expenses. In fiscal year 1977, these two expense classifications accounted for the following percentage of total expenses:

Respondents	Grants-in-Aid and Salaries
Class A	46%
Class B	61
Class C	53
Class D	54
Class E	62
Class F	53

Complete comparability of reported expenses among respondent classes is somewhat limited by different accounting practices for the inclusion of grants-in-aid and salaries in expenses of the athletic program. In some cases, salaries are paid from institutional funds not controlled by the athletic department; and the resulting amounts are not included in expenses of the athletic program. A number of institutions that award grants-in-aid to participating athletes do not report these payments as operat-

TABLE 3.9
OPERATING EXPENSES CLASSIFIED BY OBJECT OF EXPENDITURE
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Average Expense and Percentage of Total Expenses by Respondent Category	Grants in aid		Guarantees and Options		Salaries and Wages		Team and Other Travel		Equipment and Supplies		All Other Expenses		Total Expenses
	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	
Class A Institutions													
Fiscal year 1973	$378	21%	$254	13%	$464	27%	$179	11%	$ 76	5%	$379	23%	100%
Fiscal year 1977	432	18	315	12	652	28	264	12	116	5	560	25	100
Class B Institutions													
Fiscal year 1973	$122	29%	$ 10	2%	$131	30%	$ 54	14%	$ 32	9%	$ 66	16%	100%
Fiscal year 1977	161	29	16	2	180	32	70	14	44	9	85	14	100
Class C Institutions													
Fiscal year 1973	$ 96	18%	$ 17	2%	$ 75	33%	$ 25	13%	$ 24	14%	$ 46	20%	100%
Fiscal year 1977	97	14	15	2	104	39	31	15	30	15	42	15	100
Class D Institutions													
Fiscal year 1973	$109	33%	$ 14	4%	$ 78	23%	$ 36	13%	$ 26	10%	$ 53	17%	100%
Fiscal year 1977	126	27	21	4	116	27	50	13	24	6	89	23	100
Class E Institutions													
Fiscal year 1973	$ 65	33%	$ 20	7%	$ 57	28%	$ 16	9%	$ 24	13%	$ 19	10%	100%
Fiscal year 1977	57	28	3	1	68	34	23	14	14	8	30	15	100
Class F Institutions													
Fiscal year 1973	$ 32	6%	$ 1	*	$ 77	47%	$ 20	14%	$ 14	11%	$ 36	22%	100%
Fiscal year 1977	65	9	4	*	111	44	28	12	21	11	58	24	100

* Less than 1%

ing expenses because the amounts are paid by institutional funds outside the control of the athletic department. Many institutions do not award grants-in-aid and, therefore, do not incur this expense item.

The following response summaries and supplementary analysis are provided in order to determine the inclusiveness and relative comparability of expenses analyzed in this study.

(Part I, Question 12) "Does your institution award grants-in-aid to student-athletes?"

Respondents	A	B	C	D	E	F
Number (yes)	84	53	29	19	28	10
Percentage	98%	93%	29%	86%	100%	28%

The following analysis is based on respondents that reported expenses classified by object in fiscal year 1977.

Percentage Reporting	A	B	C	D	E	F
Grants-in-aid	95%	87%	30%	80%	84%	29%
Salaries and wages	99	85	76	85	84	79

With regard to grants-in-aid, respondents reporting this expense approximate the percentage of institutions that award grants, except for the Class E group. Likewise, a substantial majority of each class reported salary expenses. Thus, all expense analysis in this study is based primarily upon institutions that include salaries and grants-in-aid (if appropriate) in expenses of the athletic program. As indicated earlier, the use of averages as representatives measures should approximately counter-balance the effects caused by certain institutions not reporting grants-in-aid and salaries as operating expenses.

Grants-in-Aid Expenses

In the questionnaire for this study, the term *grant-in-aid* was defined as follows:

> "Any institutionally administered financial aid awarded to a student who has been recruited on the basis of his athletic ability, or any athletically related financial aid provided a student-athlete regardless of his recruitment."

Expenses for grants-in-aid programs are summarized in Tables 3.11 and Table 3.12 for fiscal years 1973 and 1977.

Table 3.11 presents average total grants-in-aid expenses classified by sport and the average annual cost of a full grant. Except for Class E respondents, average total grants-in-aid expenses increased between 1973 and 1977. As shown in Table 3.12, the average annual number of full grants available to be awarded decreased between 1973 and 1977 for every respondent category except Class B. The general pattern for most respondents was a smaller number of annual full grants available, a decrease in full grants awarded and an increase in the number of athletes receiving partial grants-in-aid. These developments occurred during a four-year period when the average number of participating athletes increased for each class. Except for Class D, the percentage of participating athletes receiving some form of financial aid decreased in every respondent category.

The primary cause of reported increases in average total grants-in-aid expenses between 1973 and 1977 was increases in the annual cost of a full grant. Constitutional limitations adopted subsequent to

TABLE 3.10
EXPENSES BY OBJECT AS A PERCENTAGE OF TOTAL EXPENSES
Fiscal Years 1965-1977

Respondent Category	By Year Total = 100%	Grants-in-Aid	Guarantees and Options	Salaries and Wages	Team and Other Travel	Equipment and Supplies	All Other Expenses
Class A Institutions:	1965	19%	15%	26%	10%	4%	26%
	1969	20	14	29	11	4	22
	1973	21	13	27	11	5	23
	1977	18	12	28	12	5	25
Class B Institutions:	1965	29%	4%	24%	14%	8%	21%
	1969	31	3	29	14	6	17
	1973	29	2	30	14	9	16
	1977	29	2	32	14	9	14
Class C Institutions:	1965	13%	1%	36%	18%	15%	17%
	1969	13%	1%	37	16	14	19
	1973	18	2	33	13	14	20
	1977	14	2	39	15	15	15
Class D Institutions:	1965	31%	7%	30%	14%	7%	11%
	1969	32	4	32	14	7	11
	1973	33	4	23	13	10	17
	1977	27	4	27	13	6	23

1973 have effectively controlled the number of equivalent annual full grants that can be awarded, but the annual cost of a full grant has continued to increase. The following tabulation summarizes the general cause and effect relationships that account for the change in average total grants-in-aid expenses between 1973 and 1977.

Respondents	Percentage Change Between 1973 and 1977		
	Full Grants Available	Cost of Full Grant	Average Total GIA Expenses
Class A	−10%	+29%	+14%
Class B	+ 2	+32	+32
Class C	−17	+27	+ 1
Class D	− 6	+27	+16
Class E	0	+27	−12
Class F	−10	+11	+103

Grants-in-aid expenses for Class E and Class F respondents involve relatively small total expense amounts and a small number of responding institutions. These two factors explain the apparently contradictory changes shown in the above tabulation which is based on computed averages for 1973 and 1977. The general conclusion is that substantially all increases in total grants-in-aid expenses were attributable to increases in the annual cost of a full grant.

The following response summaries regarding grants-in-aid expenses tend to confirm this general conclusion. Respondents were asked to indicate the factors that were significantly responsible for increased annual operating expenses since 1970. The response summary is based on those institutions that award grants-in-aid. (Part I, Questions 13-d and 13-e)

Respondents	A	B	C	D	E	F
Number awarding grants	84	53	29	19	28	10
Considered significant:						
Increase in number of grants	35%	49%	13%	42%	46%	60%
Increase in cost of grants	95%	77%	41%	84%	79%	50%

The majority response is that increases in the annual cost of full grants were primarily responsible for resulting increases in total expenses for grants-in-aid.

Expenses Related to Specific Sports

Expenses associated with specific sports tend to measure areas of emphasis within an athletic program and provide a historical record of resource allocation. Since the separate sports are the major functional activities or economic segments comprising an athletic program, it is important to evaluate

TABLE 3.11
ANALYSIS OF GRANTS-IN-AID EXPENSES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Average Grants-in-Aid Expense by Respondent Category	Football		Basketball		Other Sports		Average Total Expense		Average Annual Cost of Full Grant*
	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	Mean	Per Cent	
Class A Institutions									
Fiscal year 1973	$237	63%	$ 41	11%	$100	26%	$378	100%	$2.757
Fiscal year 1977	265	61	41	9	126	30	432	100	3.567
Class B Institutions									
Fiscal year 1973	$ 75	61%	$ 21	17%	$ 26	22%	$122	100%	$2.214
Fiscal year 1977	95	59	26	16	40	25	161	100	2.922
Class C Institutions									
Fiscal year 1973	$ 36	37%	$ 44	46%	$ 16	17%	$ 96	100%	$2.990
Fiscal year 1977	44	45	36	37	17	18	97	100	3.790
Class D Institutions									
Fiscal year 1973	NA		$ 44	40%	$ 65	60%	$109	100%	$3.064
Fiscal year 1977	NA		52	41	74	59	126	100	3.880
Class E Institutions									
Fiscal year 1973	NA		$ 27	42%	$ 38	58%	$ 65	100%	$2.843
Fiscal year 1977	NA		32	56	25	44	57	100	3.607
Class F Institutions									
Fiscal year 1973	NA		$ 21	66%	$ 11	34%	$ 32	100%	$2.714
Fiscal year 1977	NA		31	48	34	52	65	100	3.025

*Average cost of annual grant is stated to the nearest dollar amount.

TABLE 3.12
ANALYSIS OF GRANTS-IN-AID RECIPIENTS
Fiscal Years 1973-1977

Respondent Category	Full Grants Available	Average Number of Recipients			Average Number of Athletes	Percentage Receiving Grants
		Full Grants	Partial Grants	Total		
Class A Institutions						
Fiscal year 1973	163	130	69	199	328	61%
Fiscal year 1977	146	116	70	186	337	55
Class B Institutions						
Fiscal year 1973	80	51	79	130	267	49%
Fiscal year 1977	82	56	78	134	303	44
Class C Institutions						
Fiscal year 1973	36	29	39	68	268	25%
Fiscal year 1977	30	24	44	68	308	22
Class D Institutions						
Fiscal year 1973	33	19	34	53	141	38%
Fiscal year 1977	31	18	45	63	145	43
Class E Institutions						
Fiscal year 1973	18	15	24	39	108	36%
Fiscal year 1977	18	11	34	45	135	33
Class F Institutions						
Fiscal year 1973	21	17	26	43	127	34%
Fiscal year 1977	19	12	34	46	159	29

TABLE 3.13
TOTAL OPERATING EXPENSES CLASSIFIED BY SPORT
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Average Expense Amounts and Percentage of Total Expenses by Respondent Category	Football Expenses		Basketball Expenses		Expenses for Other Sports		Expenses Not Related to Specific Sports		Total Expenses
	Average	Per Cent	Average	Per Cent	Average	Per Cent	Average	Per Cent	
Class A Institutions									
Fiscal year 1973	$ 793	48%	$ 166	10%	$ 234	14%	$ 479	28%	100%
Fiscal year 1977	1,045	47	245	11	332	15	632	27	100
Class B Institutions									
Fiscal year 1973	$ 140	40%	$ 53	15%	$ 102	27%	$ 80	18%	100%
Fiscal year 1977	195	41	69	15	142	29	90	15	100
Class C Institutions									
Fiscal year 1973	$ 33	22%	$ 25	17%	$ 57	38%	$ 43	23%	100%
Fiscal year 1977	38	21	25	14	71	39	60	26	100
Class D Institutions									
Fiscal year 1973	NA	NA	$ 107	47%	$ 82	36%	$ 57	17%	100%
Fiscal year 1977	NA	NA	142	43	125	38	79	19	100
Class E Institutions									
Fiscal year 1973	NA	NA	$ 42	40%	$ 42	39%	$ 36	21%	100%
Fiscal year 1977	NA	NA	51	30	74	45	59	25	100
Class F Institutions									
Fiscal year 1973	NA	NA	$ 16	23%	$ 43	57%	$ 21	20%	100%
Fiscal year 1977	NA	NA	23	22	68	61	25	17	100

the expenses directly related to each sport and the percentage composition of total expenses classified by sport. Many expense items benefit more than one sport and are therefore common to several activities. Maintenance expenses, utilities, program administration, office supplies, certain salaries and communication expenses are examples of cost items that usually cannot be identified with specific sports. For purposes for measuring resource allocation, these general and administrative expenses should not be allocated or apportioned to various sports.

In reporting total operating expenses directly related to particular sports, respondents were directed to include grants-in-aid, salaries, travel, equipment and all other expenses clearly identifiable with each sport. Specifically, respondents disclosed expenses clearly related to football, basketball, all other sports combined and the residual amount of total expenses not related to specific sports. Average expenses classified on this functional basis and their percentage relationship to total expenses are summarized in Table 3.13 for fiscal years 1973 and 1977.

In fiscal year 1977, expenses directly related to specific sports accounted for 73 per cent of Class A expenses, 85 per cent for Class B, 74 per cent for Class C, 81 per cent for Class D, 75 per cent for Class E and 83 per cent for Class F. Between 1973 and 1977, average expenses related to football and basketball increased for all respondents except Class C. During this four-year period, the percentage composition of total expenses was relatively stable for all respondent groups except Class E, which showed a decrease in basketball expenses from 40 per cent to 30 per cent of total expenses.

The classification of expenses on a functional basis is summarized in Table 3.14 for fiscal years 1961 through 1977. By using four-year intervals, this exhibit indicates trends in the percentage composition of total expenses classified by sport. As a percentage of total expenses football expenses declined in all applicable respondent categories: from 51 per cent to 47 per cent in Class A; from 47 per cent to 41 per cent in Class B; from 33 per cent to 21 per cent in Class C. In these three classes, there was no common pattern of compensating percentage change factors in basketball or all other sports combined. The relative decrease in football expenses on a percentage basis is consistent with similar trends in

TABLE 3.14
PERCENTAGE ANALYSIS OF OPERATING EXPENSES CLASSIFIED BY SPORT
Fiscal Years 1961-1977

Percentage Composition of Operating Expenses by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Football expenses	51%	52%	51%	48%	47%
Basketball expenses	10	10	10	10	11
Expenses—other sports	12	13	12	14	15
All other expenses	27	25	27	28	27
	100%	100%	100%	100%	100%
Class B Institutions					
Football expenses	47%	44%	42%	40%	41%
Basketball expenses	25	23	23	15	15
Expenses—other sports	13	13	15	27	29
All other expenses	15	20	20	18	15
	100%	100%	100%	100%	100%
Class C Institutions					
Football expenses	33%	30%	26%	22%	21%
Basketball expenses	14	14	12	17	14
Expenses—other sports	26	26	27	38	39
All other expenses	27	30	35	23	26
	100%	100%	100%	100%	100%
Class D Institutions					
Basketball expenses	44%	45%	51%	47%	43%
Expenses—other sports	37	35	24	36	38
All other expenses	19	20	25	17	19
	100%	100%	100%	100%	100%

revenues derived from football. Class D respondents, which do not sponsor football, demonstrated a fairly constant percentage composition of total expenses.

Analysis of Football Expenses

Expenses related to football for Classes A, B and C respondents are analyzed in the following exhibits:

Table 3.15 – Analysis of Trends in Football Expenses
Table 3.16 – Summary Analysis of Football Expenses
Table 3.17 – Frequency Distributions for Football Expenses
Table 3.18 – Football Expenses Classified by Object

Between 1961 and 1977, average football expenses increased 217 per cent for Class A, 387 per cent for Class B and 153 per cent for Class C. In relationship to total expenses, however, football expenses declined on a percentage basis during this 16-year period.

In relative terms, the annual growth rate for average football expenses was less than the compound annual growth rate for average total expenses between 1961 and 1977. The following tabulation compares these annual growth rates.

Respondents	Compound Growth Rate, 1961-1977 Total Expenses	Football Expenses
Class A	8.5%	7.5%
Class B	10.5	10.0
Class C	9.0	6.0

While football expenses increased annually, the annual rate of change for each class was less than the growth rate for total program expenses. During the period 1961-1977, the percentage of football expenses to total expenses therefore decreased.

As a summary of recent trends in football expenses, the increase in average expenses between 1973 and 1977 is indicated in Table 3.16 along with the expense range for each class during 1977. Football expenses for 1977 are summarized by respondent group with frequency distributions in Table 3.17. For 1977, there was a significant range in the football expenses reported by each institutional category. Expenses in Classes A and B are fairly evenly distributed about the average measure, but Class C

TABLE 3.15
ANALYSIS OF TRENDS IN FOOTBALL EXPENSES
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Average football expenses	$352	$460	$668	$793	$1,045
Percentage of total expenses	51%	52%	51%	48%	47%
Ratio to 1960 expenses	107	139	202	240	317
Class B Institutions					
Average football expenses	$ 48	$ 61	$ 85	$140	$195
Percentage of total expenses	47%	44%	42%	40%	41%
Ratio to 1960 expenses	120	153	213	350	487
Class C Institutions					
Average football expenses	$ 16	$ 19	$ 24	$ 33	$ 38
Percentage of total expenses	33%	30%	26%	22%	21%
Ratio to 1960 expenses	107	127	160	220	253

TABLE 3.16
SUMMARY ANALYSIS OF FOOTBALL EXPENSES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Respondent Category	Average Expenses 1973	Average Expenses 1977	Percentage Change	1977 Expense Range High	1977 Expense Range Low
Class A Institutions	$793	$1,045	+32%	$3,017	$222
Class B Institutions	140	195	+39	506	22
Class C Institutions	33	38	+15	326	8

football expenses are clustered toward the lower expense amounts. In 1977, 50 per cent of Class C respondents reported football expenses of $25,000 or less.

Football expenses classified by object are shown on a percentage basis for fiscal years 1973 and 1977 in Table 3.18. The five major object classifications of expenses used in this study accounted for approximately 83 per cent of football expenses in Class A, 91 per cent in Class B and 82 per cent in Class C. As a percentage of total football expenses, grants-in-aid was the only object classification to change by more than two percentage points; and this expense item decreased on a relative basis in Class A and Class C. In general, the structure of football expenses classified by object remained stable between 1973 and 1977.

Analysis of Basketball Expenses

Expenses related to basketball are analyzed in the following exhibits:

Table 3.19 – Analysis of Trends in Basketball Expenses
Table 3.20 – Summary Analysis of Basketball Expenses
Table 3.21 – Frequency Distributions for Basketball Expenses
Table 3.22 – Basketball Expenses Classified by Object

Between 1961 and 1977, average basketball expenses increased 271 per cent for Class A, 200 per cent for Class B, 317 per cent for Class C and 129 per cent for Class D. As currently defined, Classes E and F institutions were not analyzed separately for years

TABLE 3.17
FREQUENCY DISTRIBUTIONS FOR FOOTBALL EXPENSES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
$ 0	$ 300	5	$ 0	$ 50	8	$ 0	$ 25	31
300	600	21	50	100	7	25	50	19(M)
600	900	15	100	150	7	50	75	5
900	1,200	13(M)	150	200	10(M)	75	100	5
1,200	1,500	12	200	250	2	100	125	1
1,500	1,800	2	250	300	7	over	125	1
1,800	2,100	7	300	350	5			
2,100	2,400	3	350	400	3			
2,400	2,700	3	over	400	3			
over	2,700	1						
		82			52			62

(M) Indicates expense interval corresponding with average football expenses for 1977

TABLE 3.18
FOOTBALL EXPENSES CLASSIFIED BY OBJECT
Fiscal Years 1973 and 1977

Expenses by Object as a Percentage of Total Football Expenses	Class A Group		Class B Group		Class C Group	
	1973	1977	1973	1977	1973	1977
Grants-in-aid	25%	23%	42%	42%	25%	21%
Guarantees and options paid	25	24	4	4	1	2
Salaries and wages	18	19	23	24	26	27
Team travel, scouting, recruiting	12	13	13	13	16	16
Equipment and supplies	4	4	8	8	15	16
All other expenses	16	17	10	9	17	18
Total Football Expenses	100%	100%	100%	100%	100%	100%

preceding 1970. In relationship to total program expenses, basketball expenses represented approximately 10 per cent of total expenses for Class A, 14 per cent for Class C and 43 per cent for Class D. Basketball expenses on a relative basis decreased for Class B from 25 per cent to 15 per cent of total expenses.

In Tables 3.20 and 3.21, recent trends in basketball expenses and frequency distributions for 1977 expenses are summarized. There was a significant range in reported basketball expenses for each class; but individual expense amounts were fairly evenly distributed about the reported averages, except for Class C and Class F institutions. Basketball expenses of $25,000 or less were reported in 1977 by 85 per cent of the Class C group and by 69 per cent of Class F.

TABLE 3.19
ANALYSIS OF TRENDS IN BASKETBALL EXPENSES
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Average basketball expenses	$ 70	$ 92	$130	$166	$245
Percentage of total expenses	10%	10%	10%	10%	11%
Ratio to 1960 expenses	106	139	197	252	371
Class B Institutions					
Average basketball expenses	$ 23	$ 30	$ 42	$ 53	$ 69
Percentage of total expenses	25%	23%	23%	15%	15%
Ratio to 1960 expenses	105	136	191	241	300
Class C Institutions					
Average basketball expenses	$ 7	$ 9	$ 11	$ 25	$ 25
Percentage of total expenses	14%	14%	12%	17%	14%
Ratio to 1960 expenses	117	150	183	417	417
Class D Institutions					
Average basketball expenses	$ 63	$ 81	$101	$107	$142
Percentage of total expenses	44%	45%	51%	47%	43%
Ratio to 1960 expenses	102	131	163	173	229
Class E Institutions					
Average basketball expenses	NR	NR	NR	$ 42	$ 51
Percentage of total expenses	NR	NR	NR	40%	30%
Class F Institutions					
Average basketball expenses	NR	NR	NR	$ 16	$ 23
Percentage of total expenses	NR	NR	NR	23%	22%

NR—Data for class E and F institutions, as currently defined, were not reported in the 1970 study.

TABLE 3.20
SUMMARY ANALYSIS OF BASKETBALL EXPENSES
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Respondent Category	Average Expenses		Percentage Change	1977 Expense Range	
	1973	1977		High	Low
Class A Institutions	$166	$245	+ 48%	$840	$ 66
Class B Institutions	53	69	+ 30	171	9
Class C Institutions	25	25	-0-	312	5
Class D Institutions	107	142	+ 33	284	12
Class E Institutions	42	51	+ 21	120	3
Class F Institutions	16	23	+ 44	74	6

Basketball expenses classified by object are compared on a percentage basis in Table 3.22 for fiscal years 1973 and 1977. The five major object classifications of expenses defined in this report accounted for approximately 75 per cent to 85 per cent of total basketball expenses for the six respondent categories. On a percentage basis, changes in grants-in-aid and salaries were the only factors increasing or decreasing by more than four percentage points for any respondent group between 1973 and 1977. The general trend involved a relative decrease in grants-in-aid expenses and a relative increase in salaries and wages.

Summary

Operating expenses were defined to include the costs of goods and services required for current operation and administration of the athletic program. Operating expenses do not include interest and principal payments on long-term debt or capital expenditures to acquire plant assets. Mean and median total expenses indicate a pattern of increasing annual expenses for every respondent category. General measures of these increases are compound annual growth rates for average expenses, which ranged from 4 per cent in Class C to 9 per cent in Class E during the period 1970-1977. As measured by the Gross National Product price deflator, the general price level increased at an annual rate of 6 per cent between 1970 and 1977. Average expenses of Classes A, B, E and F respondents during this period increased at annual rates in excess of general inflationary trends. Between 1961 and 1977, football expenses as a percentage of total expenses declined for all applicable respondents. During this period, annual growth rates for football expenses were less than annual growth rates for average total expenses.

TABLE 3.21
FREQUENCY DISTRIBUTIONS FOR BASKETBALL EXPENSES
Fiscal Year 1977
(Dollar Amounts in Thousands)

Class A Group

More Than	Less Than	Number
$ 0	$ 50	0
50	100	8
100	150	12
150	200	13
200	250	17(M)
250	300	12
300	350	7
350	400	5
400	450	3
over	450	5
		82

Class B Group

More Than	Less Than	Number
$ 0	$ 25	9
25	50	12
50	75	12(M)
75	100	5
100	125	6
125	150	6
150	175	2
		52

Class C Group

More Than	Less Than	Number
$ 0	$ 25	53(M)
25	50	3
50	75	2
75	100	1
over	100	3
		62

Class D Group

More Than	Less Than	Number
$ 0	$ 50	4
50	100	1
100	150	7(M)
150	200	3
200	250	4
250	300	1
		20

Class E Group

More Than	Less Than	Number
$ 0	$ 25	5
25	50	6
50	75	6(M)
75	100	2
100	125	2
		21

Class F Group

More Than	Less Than	Number
$ 0	$ 25	9(M)
25	50	3
50	75	1
		13

(M) Indicates expense interval corresponding with average basketball expenses for 1977

TABLE 3.22
BASKETBALL EXPENSES CLASSIFIED BY OBJECT
Fiscal Years 1973 and 1977

Expenses by Object as a Percentage of Total Basketball Expenses	Grants-in-Aid	Guarantees and Options	Salaries and Wages	Team and Other Travel	Equipment and Supplies	Other Expenses	Total Basketball Expenses
Class A Institutions							
Fiscal year 1973	20%	8%	24%	20%	3%	25%	100%
Fiscal year 1977	15	9	25	21	4	26	100
Class B Institutions							
Fiscal year 1973	31%	3%	28%	19%	7%	12%	100%
Fiscal year 1977	31	4	27	19	6	13	100
Class C Institutions							
Fiscal year 1973	29%	8%	25%	16%	8%	14%	100%
Fiscal year 1977	26	5	31	19	8	11	100
Class D Institutions							
Fiscal year 1973	30%	6%	16%	14%	4%	30%	100%
Fiscal year 1977	26	6	17	15	3	33	100
Class E Institutions							
Fiscal year 1973	33%	3%	32%	13%	8%	11%	100%
Fiscal year 1977	36	4	27	14	8	11	100
Class F Institutions							
Fiscal year 1973	17%	*	44%	24%	10%	5%	100%
Fiscal year 1977	24	2	37	22	9	6	100

*—Less than 1 per cent

Chapter IV
Revenue and Expense Relationships

Revenue and expense relationships are examined in this chapter by comparative analysis of average revenues and expenses and a review of net financial results. Net financial results were measured by comparing revenues and expenses for each respondent and classifying the difference as *operating profit* or *deficit*. Operating profit describes an excess of revenues over expenses, and deficit refers to an excess of expenses over revenues. The concept of profit is not entirely appropriate to the character or purpose of most athletic programs, and the term is intended merely to describe a condition in which revenues exceed expenses. Deficit is also used more for brevity than for technical accuracy.

Operating profits and deficits are analyzed for the total athletic program and for the major sports of football and basketball. The financial objectives and operating policies affecting respondents' athletic programs are summarized in order to provide a basis for evaluating the quantitative aspects of revenue and expense relationships. This chapter also includes an analysis of revenues and expenses related to women's athletic programs and a summary of factors that tend to explain general expense trends reported in other sections of the study.

Financial Objectives and Policies

The relative significance of operating profits and deficits for athletic programs depends upon the nature of financial objectives and related policies that govern the operation of these programs. In the 1970 study, sufficiency of revenues was cited as the dominant financial objective of athletic programs. If an athletic program generates significant revenues, then intercollegiate athletics should be accounted for as an *auxiliary enterprise* which provides services on a fee basis. Fees charged for these services are directly related to the cost of rendering services. An understanding of this environment and related financial objectives is essential to the interpretation of revenue and expense relationships.

With regard to basic financial objectives, 93 per cent of all respondents specified a revenue sufficiency objective that is consistent with the goal of generating revenues to recover program costs. The following summary indicates the relative importance of alternative financial objectives (Part I, Question 4).

Financial Objectives	Class A	Class B	Class C	Class D	Class E	Class F
Earn profits in order to expand the program	13%	2%	1%	5%	0%	0%
Earn profits to support nonathletic activities of the institution	4	0	1	5	0	0
Earn revenues to recover program costs	56	30	8	16	31	12
Earn maximum revenue with any deficits financed by institutional resources	27	68	90	74	69	88

The first-ranked financial objective in all categories except Class A is "to earn as much revenue as possible with any deficit in athletics covered by general operating funds of the institution." For the Class A institutions, the first-ranked objective is "to earn sufficient revenues to cover the expenses of athletic programs." A financial policy related to the objective expressed by most respondents concerns the ability of the athletic program to secure institutional resources when deficits are incurred. The following summary presents the rank order of policies indicated by respondents as being applicable to their operations. (Part I, Question 3)

Reliance Upon Institutional Resources	Rank Order of Indicated Policies—By Class					
	A	B	C	D	E	F
Only if deficits are incurred	2	3	3	3	3	2
To absorb certain expense items	4	1	1	1	1	1
To support nonrevenue sports	3	2	2	2	2	3
None (self-supporting program)	1	4	4	4	4	4

Except for Class A respondents, there is a distinct prevalence of operating policies that affect the ability of athletic programs to obtain general institutional resources. The most common policy is for travel and salaries to be paid from institutional resources, followed by reliance on institutional funds for support of nonrevenue sports and reliance on such resources only if deficits are incurred by the athletic program. By comparison, the first-ranked policy in Class A is to operate on a self-supporting basis within the limits provided by revenues from athletics. These response summaries indicate important differences between financial objectives and policies of Class A respondents and other institutional categories. Except for Class A, reliance upon operating funds of the institution is essential to finance the athletic program. Very few respondents reported a balanced budget for their operations, and the need to rely upon institutional resources is evident in the following statistical analysis of revenue and expense relationships.

Comparative Revenues and Expenses

A comparative analysis of revenues and expenses discloses the basic nature of athletic program finan-

TABLE 4.1
COMPARATIVE AVERAGES FOR TOTAL REVENUES AND EXPENSES
Fiscal Years 1970-1977
(Dollar Amounts in Thousands)

Average Operating Results by Respondent Category	1970	1971	1972	1973	1974	1975	1976	1977
Class A Institutions								
Total revenues	$1,263	$1,382	$1,441	$1,570	$1,708	$1,849	$2,085	$2,183
Total expenses	1,263	1,408	1,491	1,614	1,781	1,924	2,096	2,213
Implied deficit (a)	-0-	26	50	44	73	75	11	30
Class B Institutions								
Total revenues	$ 152	$ 180	$ 193	$ 225	$ 229	$ 236	$ 276	$ 311
Total expenses	265	289	307	339	369	392	412	460
Implied deficit	113	109	114	114	140	156	136	149
Class C Institutions								
Total revenues	$ 42	$ 42	$ 43	$ 47	$ 47	$ 50	$ 53	$ 55
Total expenses	125	123	128	136	145	153	162	171
Implied deficit	83	81	85	89	98	103	109	116
Class D Institutions								
Total revenues	$ 93	$ 112	$ 111	$ 120	$ 135	$ 133	$ 163	$ 196
Total expenses	216	247	246	235	252	255	289	317
Implied deficit	123	135	135	115	117	122	126	121
Class E Institutions								
Total revenues	$ 39	$ 49	$ 44	$ 72	$ 64	$ 87	$ 63	$ 69
Total expenses	80	98	106	134	137	157	135	146
Implied deficit	41	49	62	62	73	70	72	77
Class F Institutions								
Total revenues	$ 24	$ 28	$ 33	$ 33	$ 38	$ 37	$ 37	$ 39
Total expenses	48	53	57	59	67	72	76	83
Implied deficit	24	25	24	26	29	35	39	44

(a) Deficit is used to describe an excess of expenses over revenues.

cial operations. The following summaries present a comparison of average revenues and expenses to indicate the relative resource requirements of various athletic programs. These general measures are followed by operating profit and deficit results that are representative for each respondent group.

Total Revenues and Expenses

Total revenues and expenses are comparatively analyzed in the following exhibits:

Table 4.1—Comparative Averages for Total Revenues and Expenses
Table 4.2—Total Operating Profits and Deficits
Table 4.3—Frequency Distributions for Operating Deficits

As indicated in Table 4.1, average total expenses exceeded average total revenues for each respondent group during the period 1970-1977. Differences between average revenues and expenses in this exhibit are described as *implied* deficits and were computed only for purposes of summarizing the comparative changes in revenues and expenses of each category. During the 10-year period 1960-1969, average Class A revenues exceeded average expenses each year by approximately 5 per cent. From 1971 through 1977, average expenses in Class A were larger than average revenues.

Specific operating profit and deficit conditions measured by total revenues and expenses are presented in Table 4.2 for the period 1965-1977 on the basis of four-year intervals. For Class A institutions, 37 per cent of the respondents reported deficits which increased from an average of $154,000 in 1965 to $523,000 in 1977. This 294 per cent increase in average deficit is significantly larger than the 97 per cent increase in average operating profit during the same period. While average revenues and expenses increased materially during these years, the percentage of Class A respondents reporting deficits averaged 39 per cent. Accordingly, revenue growth was sufficient for 61 per cent of these institutions to recover annual increases in operating expenses.

The average deficit for Classes B, C and D respondents increased 300 per cent, 194 per cent and 143 per cent, respectively, between 1965 and 1977. The number of institutions reporting deficits increased on a percentage basis during this period for Class B, remained stable for Class C and declined for Class D. In general, at least 69 per cent of these respondents incurred deficits in 1977; and the overall trend is that revenue growth for these groups was

TABLE 4.2
TOTAL OPERATING PROFITS AND DEFICITS
Fiscal Years 1965-1977
(Dollar Amounts in Thousands)

Analysis of Total Revenues and Expenses by Respondent Category		Revenues Exceed Expenses		Expenses Exceed Revenues		Number With Balanced Budget	Per Cent Reporting Deficits
		Number of Respondents	Average Difference	Number of Respondents	Average Difference		
Class A:	Fiscal Year 1965	42	$143	22	$154	0	34%
	Fiscal Year 1969	40	188	21	176	3	33
	Fiscal Year 1973	41	219	39	345	3	47
	Fiscal Year 1977	47	281	30	523	4	37
Class B:	Fiscal Year 1965	19	$ 20	22	$ 60	4	49%
	Fiscal Year 1969	19	21	27	103	4	54
	Fiscal Year 1973	10	24	32	183	4	70
	Fiscal Year 1977	10	79	35	240	6	69
Class C:	Fiscal Year 1965	3	$ 8	31	$ 47	2	86%
	Fiscal Year 1969	4	8	34	69	3	83
	Fiscal Year 1973	4	79	63	109	2	91
	Fiscal Year 1977	5	44	65	138	1	92
Class D:	Fiscal Year 1965	0	–	11	$ 93	0	100%
	Fiscal Year 1969	0	–	11	131	0	100
	Fiscal Year 1973	4	55	16	169	1	76
	Fiscal Year 1977	5	138	15	226	0	75
Class E:	Fiscal Year 1973	2	$ 6	20	$ 75	2	83%
	Fiscal Year 1977	2	3	19	98	3	79
Class F:	Fiscal Year 1973	2	$ 3	8	$ 36	4	57%
	Fiscal Year 1977	0	–	10	43	4	71

inadequate to recover the related increase in expenses. More than 70 per cent of all Class E and Class F institutions reported deficits in 1977. As a general indicator of revenue and expense changes during the period 1970-1977, the following compound annual growth rates were determined.

	Compound Growth Rates, 1970-1977	
Respondents	Revenues	Expenses
Class A	8%	8%
Class B	11	8
Class C	4	4
Class D	11	6
Class E	8	9
Class F	7	8

Only Class B and Class D institutions experienced a comparatively higher growth rate for average revenues. During this eight-year period, comparatively greater revenue growth tended to reduce the implied deficit as a percentage of average revenues.

Implied Deficit as a Percentage of Average Revenues	1970	1977
Class B	74%	48%
Class D	132	62

Except for Class B and Class D respondents, annual growth rates for expenses equal or exceed the growth rates for average revenues. To the extent that average revenues are less than average expenses, the Classes C, E and F respondents should continue the trend of average expenses that exceed average revenues.

Operating deficits incurred by member institutions in 1977 are further described by the frequency distributions in Table 4.3. These distributions reveal the range and concentration of 1977 deficits and generally indicate that the average deficit for each respondent category is a representative measure. The largest 1977 deficit reported by each group was $1,400,000 in Class A, $980,000 in Class B, $675,000 in Class C, $700,000 in Class D, $350,000 in Class E and $80,000 in Class F.

In 1977, 63 per cent of Class A respondents reported total revenues that equalled or exceeded total expenses. The average operating profit of $281,000 for Class A respondents is described by the following frequency distribution, with dollar amounts in thousands.

TABLE 4.3
FREQUENCY DISTRIBUTIONS FOR TOTAL OPERATING DEFICITS*
Fiscal Year 1977
(Dollar Amounts in Thousands)

Class A Group

More Than	Less Than	Number
$ 0	$ 200	9
200	400	6
400	600	3(M)
600	800	3
800	1,000	5
1,000	1,200	3
over	1,200	1
		30

Class B Group

More Than	Less Than	Number
$ 0	$ 75	9
75	150	7
150	225	5
225	300	3(M)
300	375	5
375	450	2
over	450	4
		35

Class C Group

More Than	Less Than	Number
$ 0	$ 50	11
50	100	24
100	150	7(M)
150	200	13
200	250	3
250	300	1
over	300	6
		65

Class D Group

More Than	Less Than	Number
$ 0	$ 50	1
50	100	4
100	150	2
150	200	3(M)
200	250	0
250	300	2
over	300	3
		15

Class E Group

More Than	Less Than	Number
$ 0	$ 50	7
50	100	4(M)
100	150	4
150	200	2
over	200	2
		19

Class F Group

More Than	Less Than	Number
$ 0	$ 50	6(M)
50	100	4
over	100	0
		10

*Operating deficit is defined as the excess of total expenses over total revenues
(M) indicates deficit interval corresponding with average 1977 deficit

At Least	Less Than	"Profits" in Class A (Number)
$ 0	$ 75	18
75	150	5
150	225	4
225	300	4
300	375	3
375	450	1
450	525	5
over	525	7
Number Reporting Profits in 1977		47

For the 47 Class A respondents reporting profits in 1977, 38 per cent of the members had profits of $75,000 or less. The largest 1977 operating profit in Class A was $1,300,000. Accordingly, Class A institutions are characterized by many respondents that are able to operate on a self-supporting basis; 60 per cent of the Class A group indicated this policy as a financial guideline, and 63 per cent of this group reported balanced budgets or operating profits in 1977. Since the majority of other institutional categories reported operating deficits, some form of reliance on other institutional resources is necessary to finance these athletic programs.

Football Revenues and Expenses

Average revenues and expenses for football are compared by respondent category in Table 4.4 and operating profits and deficits for the period 1965-1977 are analyzed in Table 4.5.

Between 1961 and 1977, Class A football revenues exceeded average expenses each year; average revenues increased 153 per cent and average expenses increased 197 per cent. The implied operating profit in 1961 was 33 per cent of average revenues, which decreased to 22 per cent of average revenues in 1977. For Classes B and C respondents, the excess of average football expenses over related revenues increased annually between 1961 and 1977. For these two respondent groups, revenue growth in football was insufficient to recover the annual increases in operating expenses.

Football operating profits and deficits for the period 1965-1977 are analyzed in Table 4.5. A significant trend disclosed by these summaries is that the percentage of respondents reporting football deficits increased for each respondent group, from 26 per cent to 47 percent in Class A, from 85 per cent to 92 per cent in Class B and from 91 per cent to 96 per cent in Class C. This trend is consistent with the pattern shown by average football revenues and expenses and supports the conclusion that revenue growth in football has been increasingly inadequate to recover the additional operating expenses incurred each year.

The largest operating profits and deficits in football for 1977 are shown by the following tabulations, with dollar amounts in thousands.

Football Results by Respondent Category	Largest Amounts Reported (1977) Profit	Deficit
Class A	$2,100	$760
Class B	200	350
Class C	38	175

Consistent with the relative profitability of football

TABLE 4.4
AVERAGE REVENUES AND EXPENSES IN FOOTBALL
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Average Operating Results by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Total revenues	$527	$697	$960	$1,028	$1,333
Total expenses	352	460	668	793	1,045
Implied operating profit (a)	175	237	292	235	288
Class B Institutions					
Total revenues	$ 31	$ 38	$ 45	$ 64	$ 88
Total expenses	48	61	85	140	195
Implied deficit	(17)	(23)	(40)	(76)	(107)
Class C Institutions					
Total revenues	$ 8	$ 7	$ 8	$ 13	$ 10
Total expenses	16	19	24	33	38
Implied deficit	(8)	(12)	(16)	(20)	(28)

(a) Operating profit is used to describe the excess of revenues over expenses.

for many Class A respondents, the average operating profit of $797,000 in 1977 exceeds the average deficit of $221,000; and the largest deficit of $760,000 is less than the average operating profit. Since more than 90 per cent of Class B and Class C members reported deficits in 1977, the relative significance of operating profits should be carefully evaluated. In 1977, the number of respondents with football operating profits was four in Class B and two in Class C.

As a summary of the revenue and expense relationships for intercollegiate football, the following tabulation compares relative changes in total revenues and expenses and indicates the relative amounts of revenues generated by football and amounts of resources required to operate football programs.

A set of common relationships applies to the revenue and expense factors of each respondent group:

(1) Average total expenses increased more than average total program revenues.

(2) In relation to total revenues, the percentage generated by football decreased.

(3) In relation to total expenses, the percentage related to football operations decreased.

(4) Between 1961 and 1977, football revenues and expenses increased at annual growth rates that were less than corresponding growth rates for total revenues and expenses.

(5) Annual growth rates for football expenses exceeded annual growth rates for football revenues.

(6) As an overall measure of resources generated by and attributed to football programs, the percentage of total revenues provided by football remained proportionate to the percentage of total expenses required to operate football programs.

The proportionate relationship between revenues generated by football and expenses required to operate football programs is demonstrated by the following analysis. The percentage of total revenues

Respondent Category	1969-1977 Percentage Increase in Total	Per cent of Football To Total Amounts 1969	1977	1961-1977 Growth Rates Total	Football
Class A					
Revenues	56%	68%	62%	7.5%	6.5%
Expenses	67	51	47	8.5	7.5
Class B					
Revenues	68%	34%	30%	9.0%	7.5%
Expenses	86	42	41	10.5	10.0
Class C					
Revenues	49%	33%	24%	8.0%	1.5%
Expenses	68	26	21	9.0	6.0

TABLE 4.5
OPERATING PROFITS AND DEFICITS IN FOOTBALL
Fiscal Years 1965-1977
(Dollar Amounts in Thousands)

Respondent Category		Revenues Exceed Expenses: Number of Respondents	Revenues Exceed Expenses: Average Difference	Expenses Exceed Revenues: Number of Respondents	Expenses Exceed Revenues: Average Difference	Per Cent Reporting Deficits
Class A	Fiscal Year 1965	39	$340	14	$ 90	26%
	Fiscal Year 1969	38	423	13	117	25
	Fiscal Year 1973	45	590	33	194	42
	Fiscal Year 1977	43	797	38	221	47
Class B	Fiscal Year 1965	4	$ 21	22	$ 32	85%
	Fiscal Year 1969	3	30	27	46	90
	Fiscal Year 1973	3	57	41	92	93
	Fiscal Year 1977	4	102	44	137	92
Class C	Fiscal Year 1965	2	$ 7	21	$ 15	91%
	Fiscal Year 1969	1	7	22	19	96
	Fiscal Year 1973	4	16	38	26	90
	Fiscal Year 1977	2	22	47	29	96

derived from football was divided by the percentage of total expenses related to football.

Respondent Category	Ratio of Relative Football Revenues to Relative Football Expenses	
	1969	1977
Class A	1.33	1.32
Class B	.81	.73
Class C	1.27	1.14

A ratio of 1.0 or greater indicates that football provided a greater percentage of total revenues than football required as a percentage of total expenses. The significant factor is that the ratio of resources provided to resources used by football programs did not change materially between 1969 and 1977. Although total revenues and expenses increased between 1969 and 1977, the percentage of total revenues provided by football remained essentially proportionate to the percentage of total expenses attributed to football operations.

Basketball Revenues and Expenses

Average revenues and expenses for basketball are compared by respondent category in Table 4.6, and operating profits and deficits for the period 1965-1977 are analyzed in Table 4.7.

Except for Class A in 1969 and 1977, average basketball expenses exceeded average basketball revenues for each year shown in Table 4.6. In absolute terms, the implied deficit measured by excess of average expenses over average revenues did not change as significantly as did average revenues and expenses considered separately. In general, the increase in average basketball revenues between 1961 and 1977 made a significant contribution to the increase in average basketball expenses during this period.

Trends in operating profits and deficits for basketball are outlined in Table 4.7. The percentage of respondents reporting basketball deficits between 1965 and 1977 declined in Class A, Class B and Class

TABLE 4.6
AVERAGE REVENUES AND EXPENSES IN BASKETBALL
Fiscal Years 1961-1977
(Dollar Amounts in Thousands)

Average Operating Results by Respondent Category	1961	1965	1969	1973	1977
Class A Institutions					
Total revenues	$ 60	$ 80	$131	$148	$270
Total expenses	70	92	130	166	245
Implied profit (deficit)	(10)	(12)	1	(18)	25
Class B Institutions					
Total revenues	$ 11	$ 17	$ 24	$ 29	$ 44
Total expenses	23	30	42	53	69
Implied deficit	12	13	18	24	25
Class C Institutions					
Total revenues	$ 3	$ 4	$ 3	$ 17	$ 16
Total expenses	7	9	11	25	25
Implied deficit	4	5	8	8	9
Class D Institutions					
Total revenues	$ 47	$ 62	$ 61	$ 84	$129
Total expenses	63	81	101	107	142
Implied deficit	16	19	40	23	13
Class E Institutions					
Total revenues	NR	NR	NR	$ 15	$ 17
Total expenses				42	51
Implied deficit				27	34
Class F Institutions					
Total revenues	NR	NR	NR	$ 2	$ 5
Total expenses				16	23
Implied deficit				14	18

NR—Data for Classes E and F respondents, as currently defined, were not reported in the 1970 study.

C and was approximately unchanged for Class D. This general trend corresponds with the overall pattern for average basketball revenues and expenses and indicates that a larger number of respondents experienced revenue growth that recovered the annual increases in basketball expenses. This trend was most significant for the Class A group, in which programs reporting basketball deficits declined from 72 per cent in 1965 to 54 per cent in 1977.

The largest operating profits and deficits in basketball during 1977 are shown by the following schedule, with dollar amounts in thousands.

Basketball Results by Respondent Category	Largest Amounts Reported (1977)	
	Profit	Deficit
Class A	$530	$175
Class B	80	125
Class C	310	125
Class D	760	150
Class E	none	115
Class F	none	60

The relative profitability of basketball for many Class A respondents is indicated by the average 1977 profit of $173,000, which exceeds the $85,000 average deficit and approximately equals the largest reported deficit of $175,000. More than 50 per cent of each class reported deficits between 1965 and 1977, and the average deficit increased by approximately the same percentage as the relative increase in average total basketball expenses.

Basketball Results by Respondent Category	Percentage Increase in Average Between 1965 and 1977	
	Basketball Expenses	Basketball Deficits
Class A	166%	193%
Class B	130	135
Class C	177	167
Class D	175	189

As a summary of the revenue and expense relationships for intercollegiate basketball, the following tabulation compares relative changes in total revenues and expenses and indicates the percentage of total revenues generated by basketball and the percentage of total expenses related to this sport.

TABLE 4.7
OPERATING PROFITS AND DEFICITS IN BASKETBALL
Fiscal Years 1965-1977
(Dollar Amounts in Thousands)

Respondent Category		Revenues Exceed Expenses		Expenses Exceed Revenues		Per Cent Reporting Deficits
		Number of Respondents	Average Difference	Number of Respondents	Average Difference	
Class A:	Fiscal Year 1965	15	$ 40	38	$ 29	72%
	Fiscal Year 1969	19	78	32	44	63
	Fiscal Year 1973	28	91	50	70	64
	Fiscal Year 1977	37	173	44	85	54
Class B:	Fiscal Year 1965	4	$ 9	23	$ 17	85%
	Fiscal Year 1969	8	12	21	25	72
	Fiscal Year 1973	5	19	39	31	89
	Fiscal Year 1977	8	35	38	40	83
Class C:	Fiscal Year 1965	2	$ 3	20	$ 6	91%
	Fiscal Year 1969	1	1	21	8	95
	Fiscal Year 1973	3	8	42	16	93
	Fiscal Year 1977	5	3	44	16	90
Class D:	Fiscal Year 1965	2	$ 6	7	$ 27	78%
	Fiscal Year 1969	1	*	8	48	89
	Fiscal Year 1973	3	54	14	66	82
	Fiscal Year 1977	4	120	15	78	79
Class E:	Fiscal Year 1973	0	–	19	$ 30	100%
	Fiscal Year 1977	0	–	21	37	100
Class F:	Fiscal Year 1973	0	–	6	$ 10	100%
	Fiscal Year 1977	0	–	8	20	100

*Amount less than $1,000

Respondent Category	1969-1977 Percentage Increase in Total	Per Cent of Basketball to Total Amounts 1969	1977
Class A			
Revenues	56%	9%	12%
Expenses	67	10	11
Class B			
Revenues	68%	20%	15%
Expenses	86	23	15
Class C			
Revenues	49%	12%	34%
Expenses	68	27	39
Class D			
Revenues	184%	89%	66%
Expenses	62	51	47

In the four respondent categories with available trend information for years preceding 1973, there is no set of common relationships among changes in total revenues and expenses and relative amounts attributable to basketball. In Class A and Class C, the percentage of total revenues and expenses related to basketball increased between 1969 and 1977; and for Class B and Class D, the percentage of total revenues and expenses related to basketball decreased.

Except for the Class D respondents, the proportionate relationship between percentage of revenues provided by basketball and percentage of total expenses related to basketball increased between 1969 and 1977. This proportionate relationship is indicated by the following ratios, which measure the percentage of revenues derived from basketball divided by the percentage of expenses related to this sport.

Respondent Category	Ratio of Relative Basketball Revenues to Relative Basketball Expenses 1969	1977
Class A	.90	1.09
Class B	.87	1.00
Class C	.44	.87
Class D	1.75	1.40

A ratio of 1.0 or greater indicates that basketball provided a greater percentage of total revenues than the sport required as a percentage of total expenses. This ratio of resources provided to resources used increased for respondents in Class A, Class B and Class C. This shift in resource allocation proportions was caused by changes in the percentage of total revenues derived from basketball that were favorable when compared with changes in percentage of total expenses associated with this sport.

TABLE 4.8
ANALYSIS OF WOMEN'S ATHLETIC PROGRAMS
Fiscal Years 1973 and 1977
(Dollar Amounts in Thousands)

Respondent Categories	Median Number of Sports	Median Number of Athletes	Median Financial Measures: Earned Revenues	Program Expenses	Men's Contribution	Expenses Financed by: Earned Revenues	Men's Contribution	Other Sources
Class A Institutions								
Fiscal Year 1973	7	89	$ 4	$ 9	$ 9	28%	24%	48%
Fiscal Year 1977	8	114	5	97	62	17	45	38
Class B Institutions								
Fiscal Year 1973	5	52	$ 2	$ 5	$ 3	5%	34%	61%
Fiscal Year 1977	6	75	2	43	31	6	21	73
Class C Institutions								
Fiscal Year 1973	3	45	$13	$ 5	$ 5	3%	15%	82%
Fiscal Year 1977	6	100	3	14	9	2	12	86
Class D Institutions								
Fiscal Year 1973	3	34	$ 1	$ 3	$ 0	3%	0%	97%
Fiscal Year 1977	4	50	6	14	15	4	12	84
Class E Institutions								
Fiscal Year 1973	2	28	$ 0	$ 4	$ 1	0%	23%	77%
Fiscal Year 1977	4	46	5	15	12	18	19	63
Class F Institutions								
Fiscal Year 1973	3	37	$ 6	$ 7	$ 0	6%	0%	94%
Fiscal Year 1977	4	52	9	8	3	4	2	94

These expense recovery percentages are based on aggregate data reported by each respondent class. "Other Sources" was determined as the residual required to show 100% funding of total program expenses.

Women's Athletic Programs

For purposes of comparability with prior year trends, institutions were directed to report information concerning women's intercollegiate sports separately from the revenues, expenses and other operational data that have been analyzed in this study. Table 4.8 presents the financial and operational highlights of women's athletic programs in 1973 and 1977. Institutions were directed to report information on women's sports according to the following definitions:

Revenues—total revenues derived from women's athletic programs, excluding any direct or indirect support provided by the men's athletic program.

Expenses—total operating expenses directly related to women's athletic programs, including the cost of all goods and services directly related to the program without regard to the source of funds used to pay such costs. Debt service cost and capital expenditures were to be excluded.

In Table 4.8, median measures are used as representative indicators for number of sports, number of participating athletes and the financial aspects of women's athletic programs. *Earned revenues* and *program expenses* correspond with the technical definitions specified for these terms, and *men's contribution* was defined as the amount of women's total operating expenses financed or otherwise paid by the men's athletic program. Median measures were used since a small number of respondents reported data for fiscal year 1973, and resulting averages in many instances were not representative measures.

Between 1973 and 1977, there were significant increases in the number of women participating in intercollegiate sports. All respondent groups showed increases in number of sports offered and number of athletes. Revenues derived from women's athletics did not increase as significantly as the annual operating expenses for these programs, particularly in Class A and Class B. To indicate the sources used to finance women's athletic programs, expense recovery percentages were computed using the aggregate data amounts reported by respondents in each class.

In 1977, Class A women's program expenses were financed by earned revenues (17 per cent), men's contribution (45 per cent) and other sources (38 per cent). Except for Class A and Class D, the percentage of men's contribution to total women's expenses decreased between 1973 and 1977. For all respondents except Class A, more than 60 per cent of total operating expenses in 1977 were financed by sources other than earned revenues and contributions from the men's athletic program.

Factors Explaining Expense Trends

An objective of this report is to identify factors, conditions or developments that tend to explain the reasons underlying basic trends in revenues and expenses. Certain factors already have been analyzed; and cause-and-effect relationships were discussed for inflationary trends, trends in total grants-in-aid expenses and annual growth rates that summarized changes in total revenues and expenses and their percentage composition when classified by sport. In general, causes of increases in operating expenses can be identified as uncontrollable inflationary effects; expansion of the athletic program by adding more sports, more personnel and more athletes; and price factors for salaries, equipment, travel and grants-in-aid that may have increased more rapidly than the general price level.

Analysis of Significant Factors

Respondents were asked to evaluate the relevance of several potential factors as explanations or causes of increased operating expenses at their institutions. Specifically, they were to indicate each factor that was considered to be significantly responsible for increased annual operating expenses between 1970 and 1977. The following factors were to be evaluated *(Part I, Question 13)*:

a) Increased squad size in one or more major sports.
b) Program expansion into sports not previously offered.
c) Increased number of staff and coaching personnel.
d) Increase in number of grants-in-aid awarded.
e) Increase in annual cost of a full grant-in-aid.
f) Increased base salaries for athletic department personnel.
g) Increased commercial air fares for team travel.
h) Expansion of plant facilities used in athletic program.
i) Increased participation in nonrevenue-producing sports.
j) Increased recruiting costs.

The following tabulation indicates the rank-order sequence of those factors that were identified by 50 per cent or more of the respondents in each class. Rank order was determined by the specific factors that were identified by the largest percentage of responding institutions. Thus, if a certain factor was specified by 100 per cent of Class D, then this factor was ranked first in the Class D column.

Causal Factors	Rank Order of Factors By Respondent Group					
	A	B	C	D	E	F
a) Increased squad size	–	–	3	–	–	–
b) Addition of new sports	5	4	1	4	3	1
c) More staff personnel	6	–	–	7	6	–
d) More grants-in-aid	–	–	–	–	–	2
e) Higher cost of grants-in-aid	1	1	–	1	2	3
f) Increased base salaries	2	2	–	3	4	–
g) Increased air fares	4	5	–	2	–	–
h) Expanded plant facilities	–	–	–	–	–	–
i) More athletes in minor sports	–	6	2	5	1	–
j) Increased recruiting costs	3	3	–	6	5	–

The tabulation shows that less than 50 per cent of Class A respondents attributed any significance to factors (a), (d), (h) and (i). Of the factors indicated by more than 50 per cent of Class A respondents, item (e) was designated most often, followed by the remaining items as shown by sequence 2, 3, 4, 5 and 6.

By constructing a rank-value index for each of the 10 causal factors, it is possible to generalize about the combined frequency and rank order of the most important causes of increased annual operating expenses. All respondents were included in the analysis, and the five most significant causes of increased operating expenses were considered to be:

1) Addition of new sports, item (b)
2) Higher cost of grants-in-aid, item (e)
3) Increased base salaries, item (f)
4) Increased participation in minor sports, item (i)
5) Increased recruiting costs, item (j)

In addition to evaluating specific causal factors, athletic directors of responding institutions were asked to select one statement that best described the problem of increasing expenses for their institution (Part I, Question 14). The following response summary indicates that most respondents consider the problem of increasing expenses to be serious in nature.

For all institutions evaluated collectively, the following response summary was obtained.

Nature of Problem	Per Cent of Replies
Statement (a)	65%
Statement (b)	4
Statement (c)	20
Statement (d)	11

Expense Analysis Summary

As a summary of the many cause-and-effect relationships that contributed to increased operating expenses between 1970 and 1977, it is possible to divide an increase in operating expenses into three categories:

(1) Expense increase attributed to more athletes, more activity and general program expansion;

(2) Expense increase attributed to inflationary effects and uncontrollable price increases related to maintaining existing programs;

(3) Expense increase attributed to more goods and services per athlete, general quality improvements and effects of price factors that exceed general inflationary trends.

This process of analyzing expense increases over a period of time basically assigns the change in expenses to activity or quantity factors (1) and price factors (2) and (3). For purposes of measuring program activity, the number of participating athletes

Nature of Problem	Per Cent of Responding Institutions					
	A	B	C	D	E	F
(a) Serious, and methods are needed to control expenses and eliminate unnecessary costs	85%	68%	53%	68%	61%	46%
(b) Not of major concern because revenues also have increased	7	4	1	9	7	0
(c) Not serious because revenues are not intended to cover all operating expenses	4	21	29	18	28	24
(d) Not serious and is explained by general inflationary trends alone	7	7	17	5	4	30

Class A Respondents	Fiscal Years 1970	1977	Increase
Average total expenses	$1,263,000	$2,213,000	$950,000
Average number of athletes	328	337	9
Operating expenses per athlete	$3,850	$6,567	$2,717
GNP price index	100%	154%	54%

in a program is used as a quantity indicator. Because of the significance of general price-level trends, inflationary effects are identified separately.

To illustrate the form of analysis employed, information for Class A respondents is analyzed and explained.

The increase of $950,000 in average total expenses is analyzed and divided into three general effects as follows:

Increase in average total expenses		$950,000
(1) Effect of more athletes:		
Increase in number of athletes	9	
Expense per athlete in 1970	$3,850	(35,000)
Remaining balance of change		$915,000
(2) Effects of Inflation:		
Average expenses in 1970	$1,263,000	
Expected normal increase	54%	(682,000)
Remaining balance of change		$233,000
(3) Other price effects:		
Increase in expense per athlete	$2,717	
Number of athletes in 1977	337	
Effect of higher per capita expense	$915,000	
Less: effects of inflation per above	(682,000)	
Balance of price effects	$233,000	(233,000)
Remaining balance of change		$ -0-

The measurement techniques demonstrated with Class A operating information produce three effects that explain the increase in average total expenses between 1970 and 1977:

	Amount	Percentage of Total Change
(1) Effect of more athletes, more activity and general program expansion	$35,000	4%
(2) Effect of inflation and uncontrollable price increases related to maintaining existing programs	682,000	72
(3) Effect of more goods and services per athlete, general quality improvements and effects of price factors that exceed general inflationary trends	233,000	24
Increase in average total expenses	$950,000	100%

Conclusions Regarding Expense Trends

The change in average total expenses between 1970 and 1977 for each respondent category is summarized in Table 4.9 according to the "quantity-inflation—other price effects" analysis explained for the Class A group. In reality, the inflationary effect is caused by a larger per capita expense for each athlete; but it has been specifically identified in order to separate normal or expected expense increases from those increases caused by spending and price factors that exceeded general inflationary trends. For Classes C, D and F respondents, the

Factors Explaining Expense Increase	Percentage of Expense Increase by Respondent Category A	B	C	D	E	F
Effect of more athletes	4%	18%	41%	6%	30%	34%
Effect of inflation	72	74	59	94	65	66
Other spending effects	24	8	-0-	-0-	5	-0-
Increase in total expenses	100%	100%	100%	100%	100%	100%

allowance for inflationary effects accounted for all of the expense increase related to price factors and higher per capita expenses for each athlete. For these three respondent groups, inflation and more activity explained the entire change in total expenses. Classes A, B and E respondents are shown to have an expense element related to higher per capita expenses that exceeded general inflationary effects.

The three effects that explain the change in average total expenses between 1970 and 1977 are summarized on page 49.

During the period 1970-1977, the general price level as measured by the Gross National Product price deflator increased 54 per cent. In comparing average expenses for 1970 and 1977, a normal increase in operating expenses would therefore be 54 per cent of the 1970 amount, in the absence of any increase in program activity or any quality improvements that resulted in higher expenses for each athlete participating in the program. The expense increase attributed to inflation (54 per cent of the 1970 expense amount) clearly represents a larger amount when expressed as a percentage of the total change in average expenses.

In general, inflationary effects explained a significant percentage of the 1970-1977 increase in average expenses for each respondent group. The effect of more athletes, more activity and general program expansion was material for the Classes B, C, E and F respondents. The impact of inflation and other effects is demonstrated in the following reconciliation of base-year ratios for total expenses as previously reported in Table 3.5. Average expenses are expressed as a percentage of 1970 average expenses; and the effects of program expansion, inflation and other spending factors also are stated as a percentage of 1970 average total expenses. The maximum allowance for inflationary effects was 54 per cent, unless the change in total expenses was less than 54 per cent in the aggregate. Class C and Class D respondents have a base-year ratio of 137 per cent and 147 per cent, respectively; and the effect of inflation for these classes is shown to be less than 54 per cent. The inflationary effect for Class F is below 54 per cent because of the relatively large effect caused by program expansion.

As a concluding presentation, a *General Financial Summary* for each respondent group is included in Table 4.10 through Table 4.15. Significant financial trends, revenue-expense relationships and program activity measures are summarized in one exhibit for each respondent category. The General Financial Summary includes an evaluation of factors that were significantly responsible for increases in total operating expenses between 1970 and 1977. The qualitative evaluation is based on replies to Questionnaire Part I, Item 13; and the financial or quantitative evaluation was derived from information in Table 4.9. For each respondent category, there are general agreement and logical relationship between the judgment-related explanations and the quantitative analysis of factors that contributed to increased operating expenses for athletic programs.

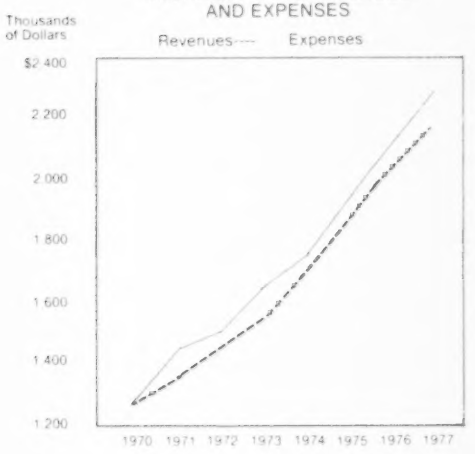
Reconciliation of 1970-1977 Change in Average Expenses	Financial Measures by Respondent Category as a Percentage of 1970 Expenses					
	A	B	C	D	E	F
Average expenses in 1970	100%	100%	100%	100%	100%	100%
Effect of program expansion	3%	14%	15%	3%	25%	25%
Effect of inflation	54	54	22	44	54	48
Effect of other spending	18	6	-0-	-0-	3	-0-
Increase as percent of 1970 expenses	75	74	37	47	82	73
Average expenses for 1977 stated as per cent of 1970	175%	174%	137%	147%	182%	173%

TABLE 4.9
ANALYSIS OF CHANGE IN AVERAGE TOTAL EXPENSES
Fiscal Years 1970 and 1977

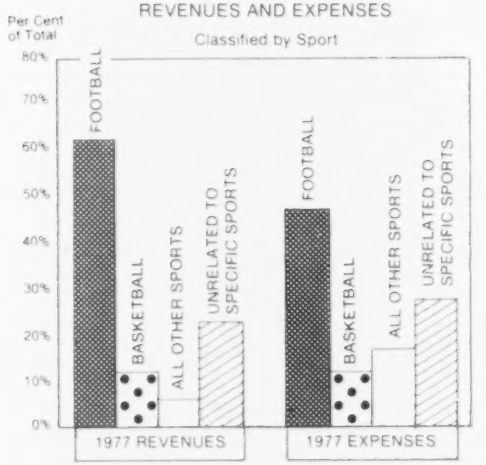
Factors Explaining Expense Increase	Class A	Class B	Class C	Class D	Class E	Class F
More athletes, more activity, and general program expansion						
Dollar amount	$ 35,000	$ 36,000	$ 19,000	$ 6,000	$ 20,000	$ 12,000
Percent of total increase	4%	18%	41%	6%	30%	34%
Inflationary effects and uncontrollable price increases related to maintaining existing programs						
Dollar amount	$682,000	$143,000	$ 27,000	$ 95,000	$ 43,000	$ 23,000
Percent of total increase	72%	74%	59%	94%	65%	66%
More goods and services per athlete, quality improvements, and effects of price factors that exceed general inflationary effects						
Dollar amount	$233,000	$ 16,000	$ —0—	$ —0—	$ 3,000	$ —0—
Percent of total increase	24%	8%	—	—	5%	—
Increase in average total expenses (100%)	$950,000	$195,000	$ 46,000	$101,000	$ 66,000	$ 35,000
Reconciliation of Expense Increase:						
Average expenses in 1977 (000)	$2,213	$ 460	$ 171	$ 317	$ 146	$ 83
Average expenses in 1970 (000)	1,263	265	125	216	80	48
Increase in expenses per above	$ 950	$ 195	$ 46	$ 101	$ 66	$ 35

TABLE 4.10
GENERAL FINANCIAL SUMMARY
CLASS A RESPONDENTS
(Based on 63% of Members in Class A)

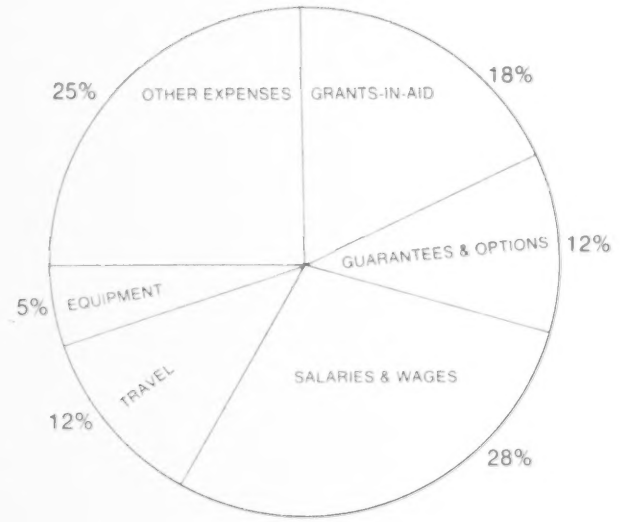
AVERAGE TOTAL REVENUES AND EXPENSES



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1977



ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	10	10
Participating Athletes	328	337
Coaching Personnel	17	18
Other Full-Time Personnel	19	22

INSTITUTIONS REPORTING DEFICITS

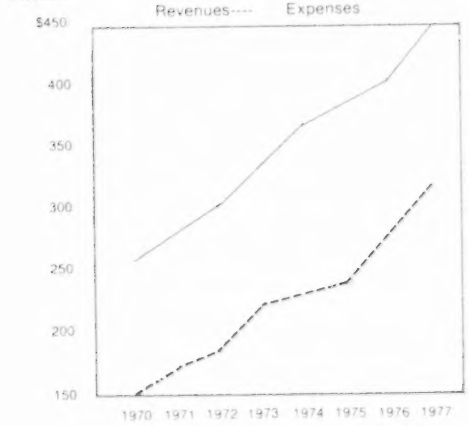
Financial Area	1973	1977
Total Program	47%	37%
Football	42	47
Basketball	64	54

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1970-1977 (Change = 75% Increase)

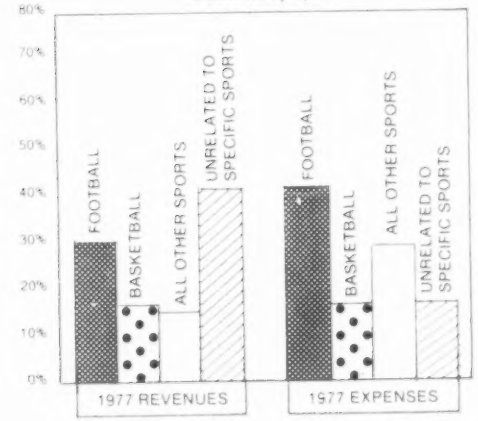
Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) Higher Cost of Grants-In-Aid	Effect of More Activity and General Program Expansion	4%
2) Increased Base Salaries	Effect of Inflation and Other Price Increases	96
3) Increased Recruiting Costs	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

TABLE 4.11
GENERAL FINANCIAL SUMMARY
CLASS B RESPONDENTS
(Based on 43% of Members in Class B)

AVERAGE TOTAL REVENUES AND EXPENSES



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1977

ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	9	10
Participating Athletes	267	303
Coaching Personnel	11	12
Other Full-Time Personnel	5	6

INSTITUTIONS REPORTING DEFICITS

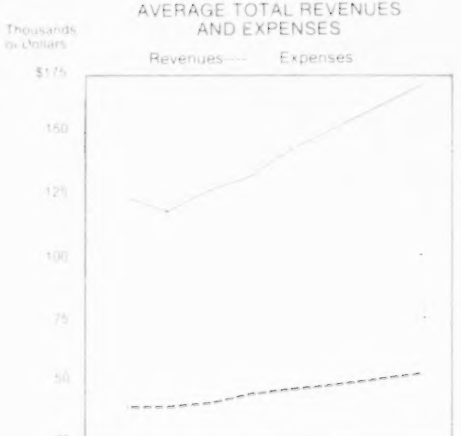
Financial Area	1973	1977
Total Program	70%	69%
Football	93	92
Basketball	89	83

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1970-1977 (Change = 74% Increase)

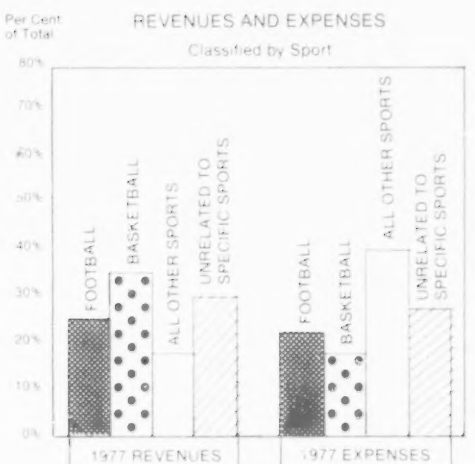
Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) Higher Cost of Grants-In-Aid	Effect of More Activity and General Program Expansion	18%
2) Increased Base Salaries	Effect of Inflation and Other Price Increases	82
3) Increased Recruiting Costs	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

TABLE 4.12
GENERAL FINANCIAL SUMMARY
CLASS C RESPONDENTS
(Based on 49% of Members in Class C)

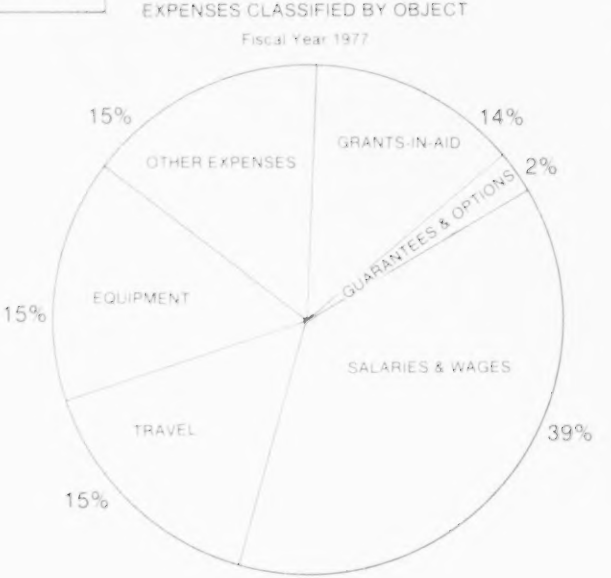
AVERAGE TOTAL REVENUES AND EXPENSES



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1977



ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	10	11
Participating Athletes	268	308
Coaching Personnel	7	7
Other Full-Time Personnel	3	4

INSTITUTIONS REPORTING DEFICITS

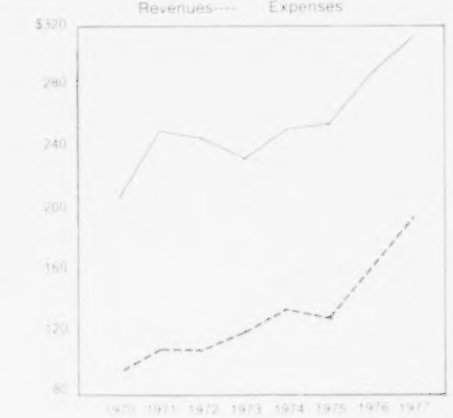
Financial Area	1973	1977
Total Program	91%	92%
Football	90	96
Basketball	93	90

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1970-1977 (Change = 37% Increase)

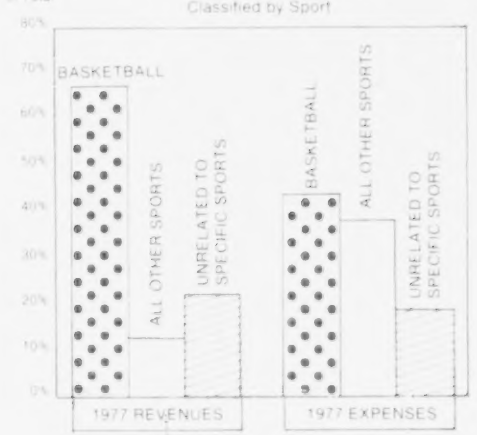
Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) Addition of new sports	Effect of More Activity and General Program Expansion	41%
2) More athletes in minor sports	Effect of Inflation and Other Price Increases	59
3) Increased squad size	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

TABLE 4.13
GENERAL FINANCIAL SUMMARY
CLASS D RESPONDENTS
(Based on 35% of Members in Class D)

AVERAGE TOTAL REVENUES AND EXPENSES



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1977

ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	8	8
Participating Athletes	141	145
Coaching Personnel	6	7
Other Full-Time Personnel	5	5

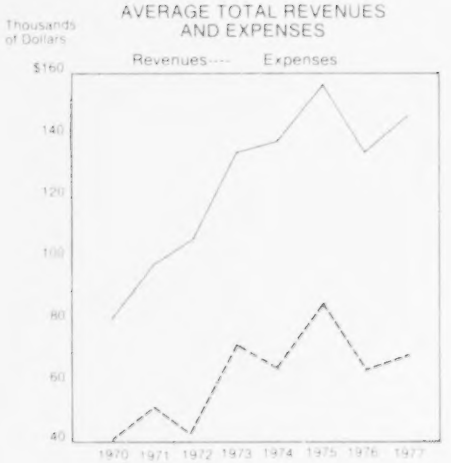
INSTITUTIONS REPORTING DEFICITS

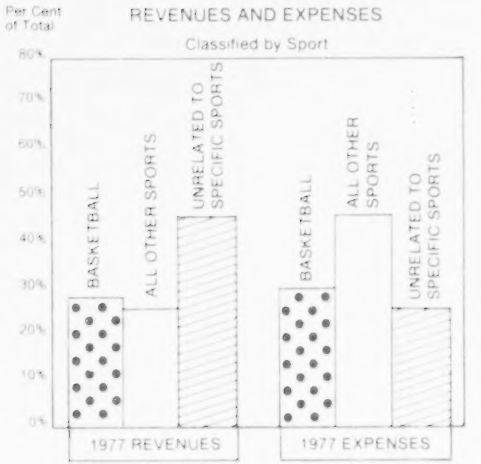
Financial Area	1973	1977
Total Program	76%	75%
Football	NA	NA
Basketball	82	79

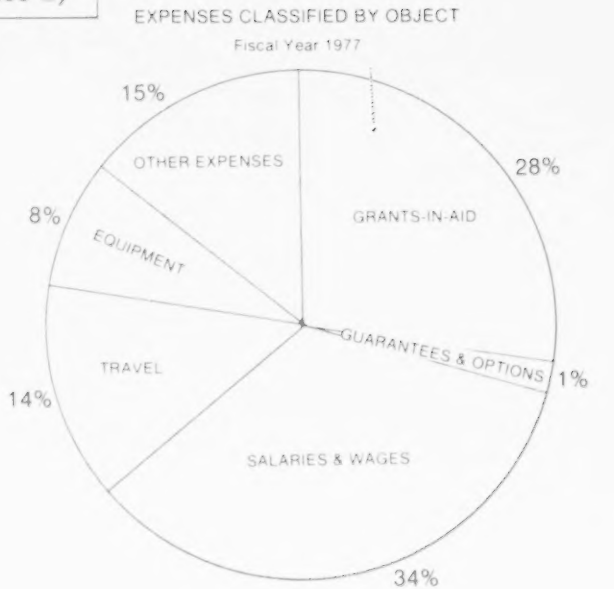
ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1970-1977 (Change = 47% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) Higher Cost of Grants-In-Aid	Effect of More Activity and General Program Expansion	6%
2) Increased Air Fares	Effect of Inflation and Other Price Increases	94
3) Increased Base Salaries	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

TABLE 4.14
GENERAL FINANCIAL SUMMARY
CLASS E RESPONDENTS
(Based on 39% of Members in Class E)







ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	6	8
Participating Athletes	108	135
Coaching Personnel	4	4
Other Full-Time Personnel	2	3

INSTITUTIONS REPORTING DEFICITS

Financial Area	1973	1977
Total Program	83%	79%
Football	NA	NA
Basketball	100	100

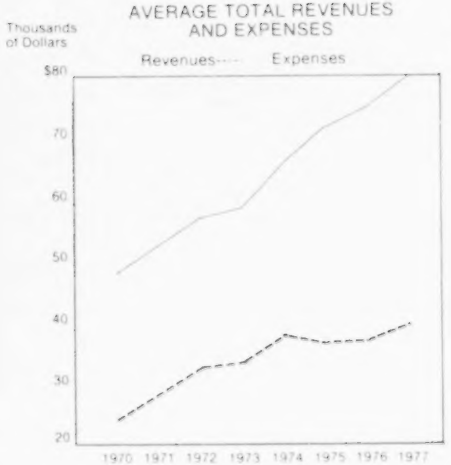
ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES

Between 1970-1977 (Change = 82% Increase)

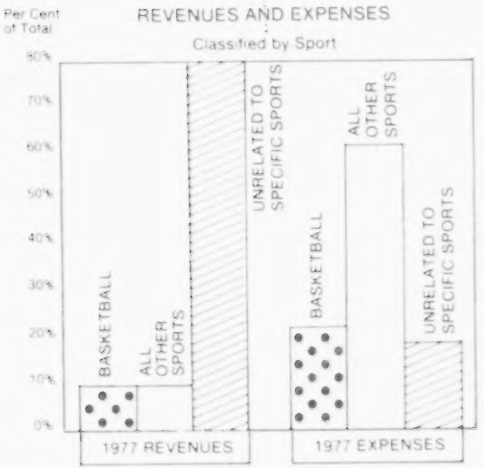
Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) More Athletes in Minor Sports	Effect of More Activity and General Program Expansion	30%
2) Higher Cost of Grants-in-Aid	Effect of Inflation and Other Price Increases	70
3) Addition of New Sports	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

TABLE 4.15
GENERAL FINANCIAL SUMMARY
CLASS F RESPONDENTS
(Based on 32% of Members in Class F)

AVERAGE TOTAL REVENUES AND EXPENSES



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1977

ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1973	1977
Intercollegiate Sports	8	8
Participating Athletes	127	159
Coaching Personnel	5	6
Other Full-Time Personnel	3	4

INSTITUTIONS REPORTING DEFICITS

Financial Area	1973	1977
Total Program	57%	71%
Football	NA	NA
Basketball	100	100

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1970-1977 (Change = 73% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation	
1) Addition of New Sports	Effect of More Activity and General Program Expansion	34%
2) More Grants-in-Aid	Effect of Inflation and Other Price Increases	66
3) Higher Cost of Grants-in-Aid	Total Expense Increase	100%
Summary Limited to Three Most Frequently Ranked Replies		

APPENDIX A

QUESTIONNAIRE FOR ANALYSIS OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETIC PROGRAMS

The questionnaire for this study, which is sponsored by the National Collegiate Athletic Association, consists of three parts:

Part I — *General Information*

Part II — *Organization and Activity Data*

Part III — *Revenue and Expense Information*

All questions and schedules in this questionnaire, with the exception of Schedule H, refer to the men's intercollegiate athletic program. Schedule H is the only item involving women's intercollegiate athletic programs.

I. GENERAL INFORMATION

The following questions require a mark (x) to indicate the most suitable response. When more than one response to a question is possible, this condition is clearly indicated. If, for some reason, a question is *not applicable* to your institution, record "NA" in the left hand margin beside the particular question. All questions should be considered in relation to *intercollegiate athletics* and not physical education, club sports or intramural sports programs. Answer questions based upon your knowledge of intercollegiate athletics at your institution. Do not enter the name of your institution on any of the following pages.

1. Is your institution primarily (more than 50%)

   government supported privately financed

2. Do intercollegiate athletics at your institution receive any financial support from a state or other governmental unit?

   Yes (go to Q.2A) No (go to Q.3)

   2A. Mark (x) the statements below that properly describe the restrictions placed upon your use of these government funds:

   a. These funds are appropriated for salaries.

   b. These funds are appropriated to support various non-revenue sports.

   c. These funds are appropriated for grants-in-aid.

   d. These funds are appropriated for other specific purposes.

   e. These funds are not restricted for any particular expenditures.

3. At your institution, do intercollegiate athletics (mark (x) one or more):

   a. Obtain financial assistance from the general operating funds of the institution in deficit years.

   b. Rely upon general operating funds of the institution to absorb certain expenses such as travel and salaries.

   c. Receive financial support from the institution to sustain non-revenue producing sports.

   d. Operate on a self-supporting basis within the limits provided by revenues from athletics.

4. Mark (x) the statement below that *best* describes the fiscal objectives of intercollegiate athletics at your institution.

   a. To earn a profit in order to expand the athletic program.

   b. To earn a profit in order to support non-athletic activities sponsored by the institution.

   c. To earn sufficient revenues to cover the expenses of athletic programs.

   d. To earn as much revenue as possible with any deficit in athletics covered by general operating funds of the institution.

5. If the athletic department produces an excess of revenues over expenses:

   a. Would this surplus be reserved exclusively for use by the department? Yes No

   b. Would this surplus be available for appropriation and use for other university activities? Yes No

6. If athletic department expenses exceed revenues, mark (x) the one statement that *best* describes how this deficit would be covered.

   a. A transfer from general operating funds of the institution.

   b. A transfer from the surplus of auxiliary enterprises such as book stores, housing operations, and cafeterias.

   c. Past surplus from athletic department operations.

7. Does the athletic department receive any income from endowments or other permanent investments? Yes No

8. For your major sports, are admission rights, by ticket or other means, assessed to students on a mandatory basis through fees collected during student registration? Yes No

9. For your major sports, are season tickets or other rights to admission sold to students on an optional basis only? Yes No

10. Is some portion of a general activity fee paid by students allotted to the athletic department without entitling students to admission to athletic events? Yes No

11. Have ticket prices in any major sport been increased since the end of the 1972-73 academic year? Yes No

12. Does your institution award grants-in-aid to student athletes?

(The term "grant-in-aid" refers to any institutionally administered financial aid awarded to a student who has been recruited on the basis of his athletic ability, or any athletically related financial aid provided a student-athlete regardless of his recruitment.)

Yes No

13. Mark (x) each of the following factors that you believe, since 1970, to be *significantly* responsible for increasing annual operating expenses of the athletic program at your institution:

a. Increased squad size in one or more major sports.

b. Program expansion into sports not previously offered.

c. Increased number of staff and coaching personnel.

d. Increase in number of equivalent full grants-in-aid awarded.

e. Increase in annual cost of a full grant-in-aid.

f. Increased base salaries for athletic department personnel.

g. Increased commercial air fares for team travel.

h. Expansion of plant facilities used in athletic program.

i. Increased participation in non-revenue producing sports.

j. Increased recruiting costs.

14. Concerning the problem of rising costs of intercollegiate athletics, mark (x) the *one* statement that best describes the nature of this problem at your institution:

a. The problem is serious and methods are needed to control major expenses and to eliminate unnecessary costs.

b. The problem is not of major concern because revenues have also increased in the past few years.

c. The problem is not of major concern because revenues derived from intercollegiate athletics are not intended to cover all operating expenses.

d. The problem is not serious and is adequately explained by reference to general inflationary trends alone.

APPENDIX B

Response Summaries— Questionnaire for Analysis of Revenues and Expenses (Part I—General Information)

The following tables summarize replies to questions 1 through 14 in Questionnaire Part I—General Information (see Appendix A). Replies were tabulated by institutional category and for all respondents collectively. Percentage factors are additive only within columns; for any particular question, the actual number of replies can be added both vertically and horizontally.

Classification of respondents as *not applicable* was necessary in certain cases. Respondents without grants-in-aid programs were classified as not applicable for questions 2A-c, 13-d and 13-e. Respondents with a *no* answer to question 2 were treated as not applicable for question 2A, parts a through e.

Respondents classified as not applicable and those not answering a question were eliminated in computing the percentage response rate for all questions. Thus, the percentage distribution of replies was computed on the basis that applicable respondents constituted 100 per cent. For questions 2A, 3 and 13, multiple replies were acceptable; and the percentage distribution by respondent category adds to more than 100 per cent.

QUESTIONNAIRE PART I—GENERAL INFORMATION

Question Number	Answer	Total Response		Class A		Class B		Class C		Class D		Class E		Class F	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%
1	Government	159	48	63	73	44	77	21	21	5	23	9	32	17	47
	Private	171	52	23	27	13	23	80	79	17	77	19	68	19	53
2	Yes	114	35	33	38	44	77	13	13	3	14	8	29	13	36
	No	216	65	53	62	13	23	88	87	19	86	20	71	23	64
2A	Indicated (a)	86	75	24	73	34	76	12	92	1	33	5	63	10	77
	Indicated (b)	27	23	9	27	10	22	2	15	0	0	1	12	5	38
	Indicated (c)	30	29	10	30	13	30	1	12	2	67	3	37	1	12
	Indicated (d)	40	35	13	39	15	33	6	46	2	67	1	12	3	23
	Indicated (e)	22	19	6	18	12	27	1	8	0	0	2	25	1	8
3	Indicated (a)	163	50	35	41	24	43	61	60	12	57	15	54	16	44
	Indicated (b)	193	59	22	26	42	75	72	71	15	71	18	64	24	67
	Indicated (c)	160	49	23	27	30	54	62	61	14	67	16	57	15	42
	Indicated (d)	75	23	51	60	11	19	6	6	4	19	1	4	2	5
4	Indicated (a)	14	5	11	13	1	2	1	1	1	5	0	0	0	0
	Indicated (b)	6	2	4	4	0	0	1	1	1	5	0	0	0	0
	Indicated (c)	86	29	48	56	17	30	7	8	3	16	8	31	3	12
	Indicated (d)	192	64	23	27	39	68	76	80	14	74	18	69	22	88
5A	Yes	106	37	49	62	21	40	12	15	6	32	7	27	11	42
	No	177	63	30	38	31	60	69	85	13	68	19	73	15	58
5B	Yes	173	67	35	47	30	70	63	80	15	75	19	76	11	61
	No	86	33	39	53	13	30	16	20	5	25	6	24	7	39
6	Indicated (a)	197	66	28	33	34	63	74	87	17	85	23	82	21	78
	Indicated (b)	21	7	8	10	7	13	4	5	0	0	0	0	2	7
	Indicated (c)	80	27	48	57	13	24	7	8	3	15	5	18	4	15
7	Yes	64	20	39	45	9	16	9	9	3	14	3	11	1	3
	No	263	80	47	55	47	84	90	91	19	86	25	89	35	97
8	Yes	165	51	52	60	37	65	44	44	11	52	12	44	9	27
	No	159	49	34	40	20	35	56	56	10	48	15	56	24	73
9	Yes	87	27	38	44	22	40	15	15	4	21	2	7	6	18
	No	230	73	48	56	33	60	82	85	15	79	25	93	27	82
10	Yes	36	11	15	18	8	14	7	7	2	10	2	7	2	6
	No	287	89	70	82	49	86	93	93	18	90	26	93	31	94
11	Yes	236	74	77	90	51	89	63	66	15	71	19	68	11	35
	No	83	26	9	10	6	11	33	34	6	29	9	32	20	65
12	Yes	223	68	84	98	53	93	29	29	19	86	28	100	10	28
	No	107	32	2	2	4	7	72	71	3	14	0	0	26	72
13	Indicated (a)	114	35	21	24	24	42	50	50	3	14	5	18	11	31
	Indicated (b)	226	68	46	53	37	65	79	78	15	68	22	79	27	75
	Indicated (c)	154	47	45	52	26	46	43	43	11	50	14	50	15	42
	Indicated (d)	86	38	29	35	26	49	4	13	8	42	13	46	6	60
	Indicated (e)	176	78	80	95	41	77	12	41	16	84	22	79	5	50
	Indicated (f)	210	64	78	91	40	70	45	45	16	73	15	54	16	44
	Indicated (g)	147	45	69	80	31	54	15	15	18	32	10	36	4	11
	Indicated (h)	113	34	40	47	22	39	23	23	8	36	11	39	9	25
	Indicated (i)	180	55	41	48	31	54	57	56	14	64	23	82	14	39
	Indicated (j)	166	50	75	87	38	67	21	21	13	59	15	54	4	11
14	Indicated (a)	214	65	70	85	39	68	54	53	15	68	17	61	15	46
	Indicated (b)	13	4	6	7	2	4	1	1	2	9	2	7	0	0
	Indicated (c)	64	20	3	4	12	21	29	29	4	18	8	28	8	24
	Indicated (d)	36	11	3	4	4	7	17	17	1	5	1	4	10	30